

#### COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

#### **COUNCIL MEMBERS**

Dennis Kennedy, Mayor Steve Tate, Mayor Pro Tempore Larry Carr, Council Member Mark Grzan, Council Member Greg Sellers, Council Member

#### REDEVELOPMENT AGENCY

Dennis Kennedy, Chair Steve Tate, Vice-Chair Larry Carr, Agency Member Mark Grzan, Agency Member Greg Sellers, Agency Member

#### WEDNESDAY, NOVEMBER 16, 2005

#### **AGENDA**

#### JOINT MEETING

#### CITY COUNCIL REGULAR MEETING

and

#### REDEVELOPMENT AGENCY SPECIAL MEETING

7:00 P.M.

A Special Redevelopment Agency Meeting is called at 7:00 P.M. for the Purpose of Conducting Redevelopment Agency Business.

Dennis Kennedy, Mayor/Chairman

#### **CALL TO ORDER**

(Mayor/Chairperson Kennedy)

#### ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

#### **DECLARATION OF POSTING OF AGENDA**

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

City of Morgan Hill Regular City Council and Special Redevelopment Agency Meeting November 16, 2005 Page -- 2 --

#### 7:00 P.M.

#### SILENT INVOCATION

#### **PLEDGE OF ALLEGIANCE**

#### **PROCLAMATIONS**

National Family Week - November 20-26, 2005 David Wilson

#### CITY COUNCIL REPORT

Mayor Kennedy

#### **CITY COUNCIL SUB-COMMITTEE REPORTS**

#### **CITY MANAGER'S REPORT**

#### **CITY ATTORNEY'S REPORT**

#### OTHER REPORTS

#### **PUBLIC COMMENT**

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA. (See notice attached to the end of this agenda.)

PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND PRESENT IT TO THE CITY CLERK.

(See notice attached to the end of this agenda.)

PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY COUNCIL/REDEVELOPMENT AGENCY.

#### City Council Action

#### **CONSENT CALENDAR:**

**ITEMS 1-8** 

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

	Time Estimate	Page				
	Consent Calendar: 1 - 10 Minutes					
1.	OCTOBER 2005 FINANCE AND INVESTMENT REPORT – CITY OF MORGAN HILL					
	Recommended Action(s): Accept and File Report.					
2.	INDOOR RECREATION CENTER (IRC) PROJECT - OCTOBER CONSTRUCTION					
	PROGRESS REPORT	30				
	Recommended Action(s): Information Only					

City of Morgan Hill Regular City Council and Special Redevelopment Agency Meeting November 16, 2005 Page -- 3 --

	Time Estimate Consent Calendar: 1 - 10 Minutes	Page
3.	AWARD OF THE BUTTERFIELD WELL PUMP STATION PROJECT	31
J.	Recommended Action(s):	
	1. Award Contract to Conco West, Inc. for the Construction of the Butterfield Well Pump Station Project	
	in the Amount of \$525,000; and	
	2. <u>Authorize</u> Expenditure of Construction Contingency Funds, Not to Exceed\$52,500.	
4.	APPROVAL OF FUNDING AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT TO	
	PREPARE A SEWER ASSESSMENT DISTRICT FEASIBILITY STUDY FOR THE COUNTY	
	PORTION OF HOLIDAY LAKE ESTATES	32
	Recommended Action(s):	
	1. <u>Approve</u> Funding Agreement and <u>Authorize</u> the City Manager, Subject to Review and Approval as to	
	Form by the City Attorney, to Execute the Agreement on Behalf of the City of Morgan Hill; and	
	2. <u>Approve</u> the Scope of Work for Harris & Associates in the Amount of \$38,000; and <u>Authorize</u> the City Manager to Execute a Professional Services Agreement for the Holiday Lake Estates Sanitary	
	Sewer Assessment District Feasibility Study, Subject to Approval as to Form by the City Attorney and	
	Subject to all Parties Executing the Cost Sharing Agreement.	
5.	RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2005 QUARTERLY REPORT #3	33
	<b>Recommended Action(s):</b> Accept and File the RDCS Third Quarter Report for 2005.	
6.	MODCAN HILL LIDDADY ADDDOVAL OF \$20,000 FOR ADDITIONAL DESIGN SERVICES	
0.	MORGAN HILL LIBRARY-APPROVAL OF \$29,000 FOR ADDITIONAL DESIGN SERVICES FOR EXTERIOR AND INTERIOR SIGNAGE	3/1
	Recommended Action(s): Authorize Amendment of Contract Agreement with Noll & Tam to Provide	5
	Additional Services for Exterior and Interior Signage Design and Coordination for the Library.	
7.	AMEND CONTRACT WITH KIDZ LOVE SOCCER	35
	Recommended Action(s): Authorize the City Manager to Amend Contract with Kidz Love Soccer to	
	Increase Compensation to \$26,000; Subject to Review and Approval by City Attorney.	
8.	APPROVE JOINT SPECIAL CITY COUNCIL; ARCHITECTURAL REVIEW BOARD;	
	BICYCLE & TRAILS ADVISORY COMMITTEE; LIBRARY, CULTURE & ARTS	
	COMMISSION; MOBILE HOME RENT COMMISSION; CORPORATION YARD	
	COMMISSION; PARKS & RECREATION COMMISSION; PLANNING COMMISSION;	
	SENIOR ADVISORY COMMITTEE; AND YOUTH ADVISORY COMMITTEE WORKSHOP	2.5
	MINUTES OF NOVEMBER 9, 2005	36
D.J	and a second A a second A ation	
Kead	evelopment Agency Action	
CONSI	ENT CALENDAR:	
CONSI	ENT CALENDAK.	
ITEMS	5 9-10	
	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
		• •
9.	OCTOBER 2005 FINANCE AND INVESTMENT REPORT – REDEVELOPMENT AGENCY	39

	Morgan Hill City Council and	
Special	Redevelopment Agency Meeting per 16, 2005	
Page	· ·	
	Time Estimate Consent Calendar: 1 - 10 Minutes	Page
10.	HOUSING REHABILITATION LOAN FOR 50 WEST FIFTH STREET	48
	Recommended Action(s):  1. Approve a Loan of up to \$60,000 under the Agency's Housing Rehabilitation Loan Program to	
	Rehabilitate the Home at 50 West Fifth Street; and  2. <u>Authorize</u> the Executive Director to do Everything Necessary to Prepare and Execute Loan Documents.	
City	Council and Redevelopment Agency Action	
CONS	ENT CALENDAR:	
ITEMS	11-12	
	Time Estimate Consent Calendar: 1 - 10 Minutes	Page
11.	APPROVE JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF OCTOBER 26, 2005	49
12.	APPROVE JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF NOVEMBER 2, 2005.	61
City	Council Action (Continued)	
CONS	ENT CALENDAR:	
ITEM	13	
	Time Estimate Consent Calendar: 1 - 10 Minutes	Page
13.	AWARD OF 2005-2006 SIDEWALK, CURB AND GUTTER REMOVAL AND REPLACEMENT PROJECT	74
	Recommended Action(s):  1. Award Contract to J.J.R. Construction, Inc. for the Construction of the 2005-2006 Sidewalk, Curb and Gutter Removal and Replacement Project in the Amount of \$54,975; Subject to Review and Approval	/ ¬
	<ul> <li>by the City Attorney; and</li> <li>Authorize Expenditure of Construction Contingency Funds, Not to Exceed \$5,500.</li> </ul>	
City	Council Action	
<u>PUBL</u>	<u>C HEARINGS</u> :	
	Time Estimate	Page
14.	5 Minutes <u>DEVELOPMENT AGREEMENT AMENDMENT, DAA-04-08: TILTON-GLENROCK</u>	75
	Public Hearing Opened.  Please Limit Your Remarks to 3 Minutes. Public Hearing Closed  Council Discussion.	
	Action- Action- Action- Motion to Waive the Reading in Full of Ordinance.  Motion to Introduce Ordinance by Title Only. (Roll Call Vote)	

City of Morgan Hill Regular City Council and Special Redevelopment Agency Meeting November 16, 2005 Page -- 5 --

#### **PUBLIC HEARINGS:**

Time Estimate Page

#### 15. 120 Minutes

Public Hearing Opened.

Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion.

- a) Action- Adopt Resolution Certifying Final Environmental Impact Report, Making Findings, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program.
- b) Action- Adopt General Plan Amendment Resolution.
- c) Action- Motion to Waive the Reading in Full of Zoning Amendment Ordinance.
- d) Action- Motion to Introduce Zoning Amendment Ordinance by Title Only. (Roll Call Vote)
- e) Action- Adopt Subdivision Resolution.
- f) Action- Motion to Waive the Reading in Full of Development Agreement Ordinance.
- g) Action- Motion to Introduce Development Agreement Ordinance by Title Only. (Roll Call Vote)
- h) Action- Adopt Conditional Use Permit Resolution.
- i) Action- Adopt Architectural and Site Plan Review Resolution; and
- j) Action- <u>Direct</u> the City Attorney to Return at a Future City Council Meeting with Information Regarding Placing an Initiative on the Ballot to Remove the Grocery Store Use Restriction from the Cochrane Plaza Planned Unit Development (PUD).

#### **FUTURE COUNCIL-INITIATED AGENDA ITEMS:**

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

#### **ADJOURNMENT**



## CITY COUNCIL STAFF REPORT MEETING DATE: November 16, 2005

#### OCTOBER 2005 FINANCE & INVESTMENT REPORT

Agenda Item # 1
Prepared By:
Finance Director
Submitted By:
City Manager

#### **RECOMMENDED ACTION:**

Accept and File Report

#### **EXECUTIVE SUMMARY:**

Attached is the monthly Finance and Investment Report for the period ended October 31, 2005. The report covers the first four months of activity for the 2005/2006 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented

## CITY OF MORGAN HILL Monthly Financial and Investment Reports

October 31, 2005 – 33% Year Complete



Prepared by:

FINANCE DEPARTMENT



#### CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2005/06 FOR THE MONTH OF OCTOBER 2005 - 33% OF YEAR COMPLETE

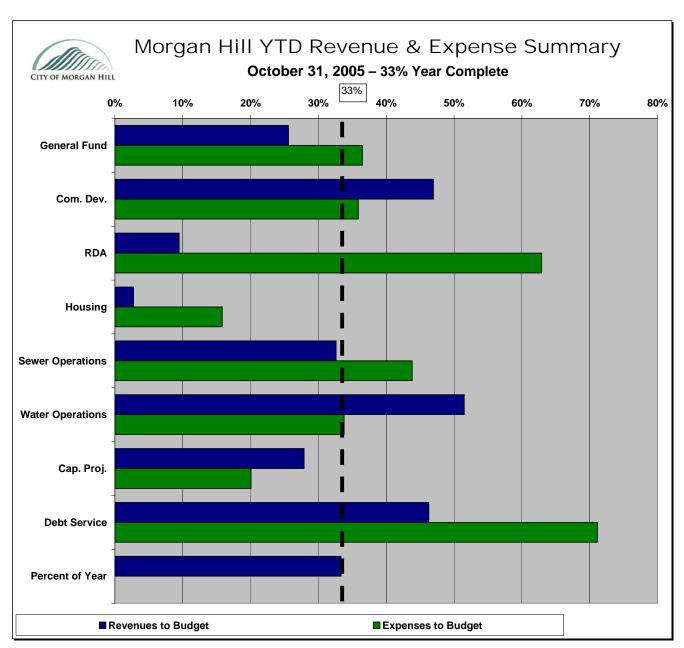
This analysis of the status of the City's financial situation reflects 33% of the year. However, this analysis is somewhat limited. Many of the City's current year revenues have not been received as of this time of the year, such as property taxes and franchise fees. The beginning of a fiscal year normally reflects a surge in purchasing. This is due to the start of projects included in the new budget and to the season to take advantage of good weather for construction projects.

- \* General Fund The revenues received in the General Fund were approximately 26% of the budgeted revenues. Only \$620,693 in property related taxes has been received by the City. The amount of Sales Tax collected was 25% of the sales tax revenue budget and was 5% less than the amount collected for the same period last year. This low percentage and drop in sales taxes compared to last year are the result of the timing of sales tax receipts. Unlike the beginning of last fiscal year, the City must wait, under the triple flip legislation, until late in the year to receive 25% of its sales tax revenues. If the amount of sales tax delayed by the State were included in year-to-date receipts, it is estimated that the City would have received \$1,912,000, as of October 31, or 26% more than the amount received for the same period last year. October Business license and other permit collections were 90% of the budgeted amount. Business license renewal fees were due in July; therefore the higher percentage of budget collected early in the year is normal. Motor Vehicle-in-Lieu revenues were \$136,434, or 72% of the budgeted amount. Interest & Other Revenue was 40% of budget and does not reflect October interest earnings that will be posted in January as part of earnings for the quarter ending December 31.
- \* The General Fund expenditures and encumbrances to date totaled 36% of the budgeted appropriations. The outstanding encumbrances in several activities were encumbrances for projects started but not completed in the prior year and carried forward to the current fiscal year. The higher balance expended in the City Attorney's budget related to legal contracts encumbered early in the fiscal year. The higher balance in the Recreation budget related to recreation contracts let in the beginning of the fiscal year and to seasonal aquatics program expenditures incurred in the summer.
- \* Transient Occupancy (Hotel) Tax The TOT rate is 10%. The City receives transient occupancy taxes on a quarterly basis. Taxes for the first quarter ending September 30 totaled \$259,922, or 27% of the budget. However, if taxes for one hotel that did not pay its taxes until November were included, taxes would have been 32% of the budget, or 11% more than the prior year amount. Taxes for the month of October have not yet been received and will be received by the City after the end of the quarter ending December.
- \* Community Development Revenues were 47% of budget, which was 7% less than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances were 34% of budget; Building has expended or encumbered 31% of budget and Engineering 43%. Community Development has expended or encumbered a combined total of 36% of the 2005/06 budget, including \$323,749 in encumbrances. If encumbrances were excluded, Community Development would have spent only 27% of the combined budget.
- \* **RDA and Housing** Only \$239,011 in property tax increment revenues has been received as of October 31, 2005. Expenditures plus encumbrances totaled 53% of budget. If encumbrances totaling \$16,905,677 were excluded, the RDA would have spent only 15% of the combined budget.



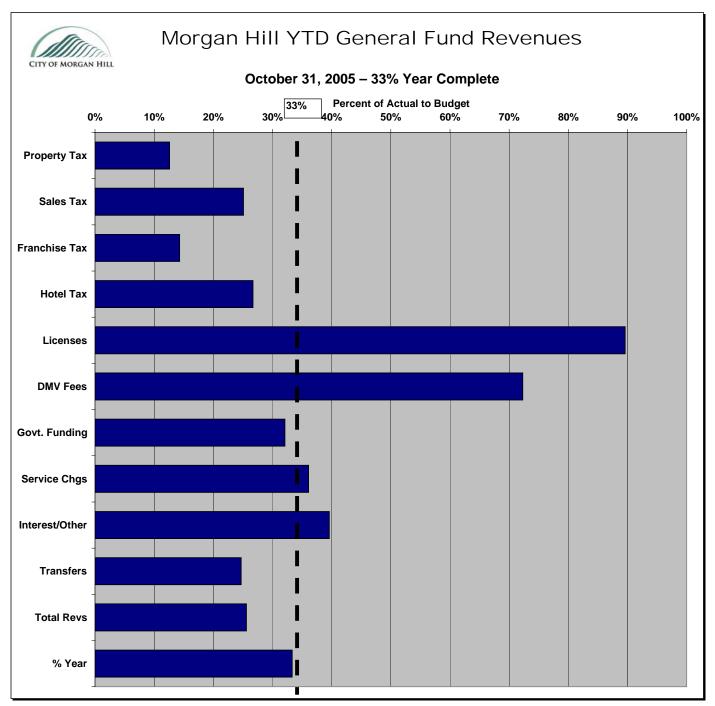
#### CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2005/06 FOR THE MONTH OF OCTOBER 2005 - 33% OF YEAR COMPLETE

- \* Water and Sewer Operations- Water Operations revenues, including service fees, were 52% of budget. Expenditures totaled 34% of appropriations. Sewer Operations revenues, including service fees, were 33% of budget. Expenditures for sewer operations were 44% of budget. This higher percentage resulted from a principal and interest payment on debt service paid in July.
- \* Investments maturing/called/sold during this period. During the month of October, the City invested \$4 million in federal agency securities. Further details of investments are included on pages 6-8 of this report.

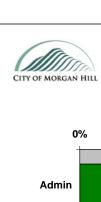


	REVENU	ES	EXPENS	10/31/2005	
		% OF	ACTUAL plus	% OF	UNRESTRICTED
FUND NAME	ACTUAL	BUDGET	ENCUMBRANCES	BUDGET	FUND BALANCE
General Fund	£4.704.240	200/	¢7 220 E4E	260/	Ф7 420 247
Community Development	\$4,794,319 1,419,618	26% 47%		36% 36%	\$7,420,317
, ,		9%			2,431,426
RDA (ORD)	1,892,913		21,504,195	63%	(7,899,951)
Housing/CDBG	135,380	3%	2,319,464	16%	4,438,365
Sewer Operations	1,934,761	33%	2,998,771	44%	1,788,706
Sewer Other	1,037,138	45%	1,329,134	30%	12,936,903
Water Operations	3,940,760	52%	3,002,126	34%	5,042,785
Water Other	206,751	13%	2,169,047	28%	1,595,103
Other Special Revenues <sup>1</sup>	502,682	41%	535,675	19%	4,928,278
Capital Projects & Streets Funds	2,777,530	28%	3,236,825	20%	25,694,229
Debt Service Funds	336,467	46%	508,414	71%	689,409
Internal Service	1,452,850	27%	1,912,784	38%	5,106,687
Agency	32,521	2%	1,435,816	72%	2,810,627
TOTAL FOR ALL FUNDS	\$20,463,690	25%	\$49,614,538	41%	\$66,982,883

<sup>&</sup>lt;sup>1</sup> Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds

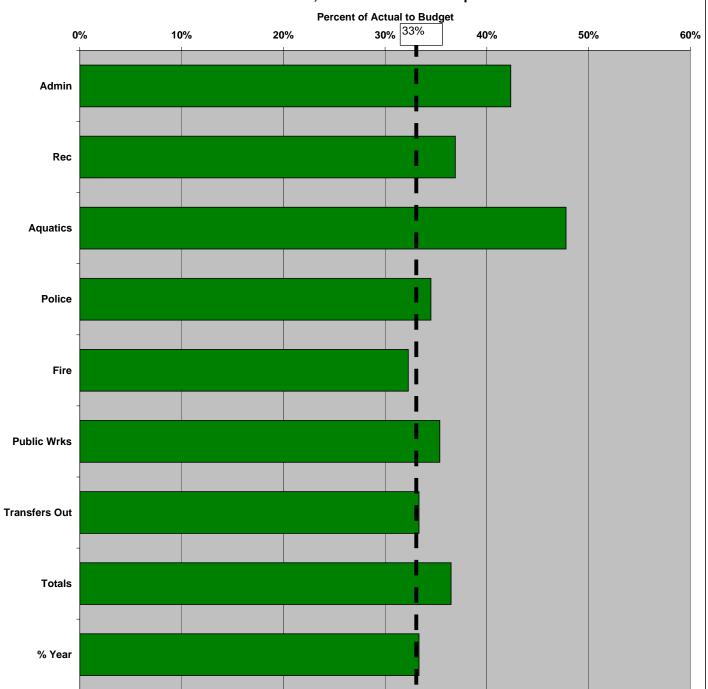


			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY RELATED TAXES	\$4,911,595	\$620,693	13%	\$513,554	21%
SALES TAXES	\$5,724,600	\$1,434,061	25%	\$1,513,478	-5%
FRANCHISE FEE	\$1,030,700	\$147,679	14%	\$144,624	2%
HOTEL TAX	\$974,560	\$259,922	27%	\$285,118	-9%
LICENSES/PERMITS	\$161,680	\$144,937	90%	\$211,353	-31%
MOTOR VEHICLE IN LIEU	\$188,776	\$136,434	72%	\$263,949	-48%
<b>FUNDING - OTHER GOVERNMENTS</b>	\$246,400	\$79,006	32%	\$24,813	218%
CHARGES CURRENT SERVICES	\$3,890,825	\$1,403,531	36%	\$1,430,908	-2%
INTEREST & OTHER REVENUE	\$1,151,300	\$456,406	40%	\$295,207	55%
TRANSFERS IN	\$451,865	\$111,650	25%	\$172,975	-35%
			•	•	
TOTALS	\$18,732,301	\$4,794,319	26%	\$4,855,979	-1%



#### Morgan Hill YTD General Fund Expenditures

#### October 31, 2005 - 33% Year Complete



		Actual Plus	
Expenditure Category	Budget	Encumbrances	% of Budget
ADMINISTRATION	3,144,485	1,378,093	42%
RECREATION/CCC	1,676,751	587,654	37%
AQUATICS	1,403,838	670,837	48%
POLICE	8,763,215	3,023,910	35%
FIRE	4,377,495	1,413,017	32%
PUBLIC WORKS	711,485	251,701	35%
TRANSFERS OUT	10,000	3,333	33%
TOTALS	\$ 20,087,269	\$ 7,328,545	36%



City of Morgan Hill Fund Activity Summary - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Completed

		Unaudited	Revenues		Expenses		Year to-Date	Ending Fund Balance		Cash and Investments	
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				_
No.	Fund	06-30-05	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
010	GENERAL FUND	\$9,954,543	\$4,794,319	26%	\$6,827,672	34%	(\$2,033,353)	\$500,873	\$7,420,317	\$7,570,444	\$6,312
TOTAL G	ENERAL FUND	<u>\$9,954,543</u>	<u>\$4,794,319</u>	<u>26%</u>	<u>\$6,827,672</u>	<u>34%</u>	(\$2,033,353)	<u>\$500,873</u>	<u>\$7,420,317</u>	<u>\$7,570,444</u>	<u>\$6,312</u>
202	STREET MAINTENANCE	\$1,256,939	\$415,313	9%	\$591,790	11%	(\$176,477)	\$533,759	\$546,703	\$1,085,501	
204/205	PUBLIC SAFETY/SUPPL. LAW	\$246,962	\$102,061	94%	\$58,506	33%	\$43,555		\$290,517	\$300,044	
206	COMMUNITY DEVELOPMENT	\$2,345,550	\$1,419,618	47%	\$1,009,993	27%	\$409,625	\$323,749	\$2,431,426	\$2,838,850	
207	GENERAL PLAN UPDATE	\$323,624	\$147,978	66%	\$18,223	5%	\$129,755	\$80,594	\$372,785	\$457,004	
210	COMMUNITY CENTER	\$202,102	\$1,863	53%		n/a	\$1,863		\$203,965	\$205,144	
215 / 216		152,202	\$241	0%	\$56,664	9%	(\$56,423)	717,616	(\$621,837)	\$97,462	
225	ASSET SEIZURE	\$8,691	\$80	5%	\$300	n/a	(\$220)		\$8,471	\$8,709	
229	LIGHTING AND LANDSCAPE	(\$4,917)	\$83	0%	\$52,441	39%	(\$52,358)	\$59,505	(\$116,780)	(\$56,317)	
232	ENVIRONMENTAL PROGRAMS	\$772,796	\$129,930	24%	\$114,017	26%	\$15,913	\$108,825	\$679,884	\$799,101	
234	MOBILE HOME PK RENT STAB.	\$165,800	\$6,666	68%	\$284	6%	\$6,382		\$172,182	\$173,628	
235	SENIOR HOUSING	\$248,077	\$2,274	33%			\$2,274		\$250,351	\$252,722	
236	HOUSING MITIGATION	\$2,323,017	\$96,719	69%	-		\$96,719	15,000	\$2,404,736	\$2,432,481	
240	EMPLOYEE ASSISTANCE	\$75,248	\$9,925	23%	9,200	16%	\$725		\$75,973	\$75,670	
247	ENVIRONMENT REMEDIATION	\$581,091	5,103	60%			\$5,103		\$586,194	\$554,912	
TOTAL SI	PECIAL REVENUE FUNDS	<u>\$8,697,182</u>	<u>\$2,337,854</u>	<u>25%</u>	<u>\$1,911,418</u>	<u>15%</u>	<u>\$426,436</u>	<u>\$1,839,048</u>	<u>\$7,284,570</u>	<u>\$9,224,913</u>	
301	PARK DEV. IMPACT FUND	\$3,992,733	\$362,241	44%	\$42,769	2%	\$319,472	\$146,544	\$4,165,661		\$4,350,289
302	PARK MAINTENANCE	\$3,522,968	\$166,260	40%	\$34,583	19%	\$131,677	\$312	\$3,654,333	\$3,684,897	
303	LOCAL DRAINAGE	\$3,767,143	\$244,647	19%	\$10,511	1%	\$234,136		\$4,001,279		\$4,033,167
304	LOCAL DRAINAGE/NON-AB1600	\$3,425,722	\$123,084	34%	\$53,413	5%	\$69,671	\$10,500	\$3,484,893	\$3,445,886	
306	OPEN SPACE	\$1,240,852	\$164,096	96%	1,573		\$162,523	\$10,000	\$1,393,375	\$1,413,216	
309	TRAFFIC IMPACT FUND	\$3,319,523	\$694,288	62%	\$155,390	8%	\$538,898	\$839,750	\$3,018,671		\$3,873,918
311	POLICE IMPACT FUND	\$175,878	\$25,027	24%	\$174,126	67%	(\$149,099)	\$10,000	\$16,779		\$27,981
313	FIRE IMPACT FUND	\$2,493,753	\$55,811	29%	\$459	0%	\$55,352		\$2,549,105		\$2,571,793
317	REDEVELOPMENT AGENCY	11,782,380	\$1,892,913	9%	\$4,991,608	15%	(\$3,098,695)	16,583,636	(\$7,899,951)	\$8,629,384	
327 / 328	HOUSING	7,164,865	\$135,139	3%	\$1,636,712	16%	(\$1,501,573)	603,090	\$5,060,202	\$5,688,238	
340/342	MORGAN HILL BUS.RANCH I & II	23,895	\$222	7%	-		\$222	-	\$24,117	\$24,713	
346	PUBLIC FACILITIES NON-AB1600	\$778,874	\$331,618	145%	46,694		\$284,924	\$432,083	\$631,715	\$1,001,172	\$112,134
347	PUBLIC FACILITIES IMPACT FUND	501,378	\$120,174	155%	\$454	1%	\$119,720	68,973	\$552,125		\$624,270
348	LIBRARY IMPACT FUND	\$570,146	\$37,887	31%	\$67	33%	\$37,820		\$607,966		\$612,975
350	UNDERGROUNDING	1,010,707	9,384	5%	\$9,941	1%	(\$557)	73,134	\$937,016	\$1,023,240	
360	COMM/REC CTR IMPACT FUND	\$83,013	27,478	5%		1%	\$27,478		\$110,491	\$111,008	
TOTAL C	APITAL PROJECT FUNDS	<u>\$43,853,830</u>	<u>\$4,390,269</u>	<u>15%</u>	<u>\$7,158,300</u>	<u>13%</u>	(\$2,768,031)	<u>\$18,778,022</u>	<u>\$22,307,777</u>	<u>\$25,021,755</u>	<u>\$16,206,527</u>
441	POLICE FACILITY BOND DEBT	\$456,526	335,241	n/a	328,157		\$7,084	Ī	\$463,610	\$1,143	\$462,315
545	COCHRANE BUSINESS PARK	\$370,167	1,183	0%	152,708	76%	(\$151,525)		\$218,642	\$40,276	\$180,950
551	JOLEEN WAY	\$34,663	\$43	0%	\$27,549	76%	(\$27,506)		\$7,157	(\$10,085)	\$17,250
TOTAL D	EBT SERVICE FUNDS	<u>\$861,356</u>	<u>\$336,467</u>	<u>46%</u>	<u>\$508,414</u>	<u>71%</u>	<u>(\$171,947)</u>		<u>\$689,409</u>	<u>\$31,334</u>	<u>\$660,514</u>

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City of Morgan Hill Fund Activity Summary - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Completed

		en i di mo		33/0 UI I	ar Completed						
		Unaudited	Revenues		Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-05	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
						•	•				
640	SEWER OPERATIONS	\$13,448,714	\$1,934,761	33%	\$2,940,797	43%	(\$1,006,036)	\$10,653,972	\$1,788,706	\$1,313,398	\$1,894,979
641	SEWER IMPACT FUND	11,397,916	\$979,070	51%	\$553,856	16%	\$425,214	4.882.991	\$6,940,139	ψ1,010,000	\$7,001,187
642	SEWER RATE STABILIZATION	\$4,573,148	\$41,529	35%	\$705	33%	\$40,824	1,002,001	\$4,613,972	\$4,613,972	ψι,σσι,τσι
643	SEWER-CAPITAL PROJECTS	9,525,501	\$16,539	6%	\$218,339	22%	(\$201,800)	7,940,909	\$1,382,792	\$1,738,615	
650	WATER OPERATIONS	\$23,612,699	\$3,940,760	52%	\$2,298,354	26%	\$1,642,406	\$20,212,320	\$5,042,785	\$4,416,113	\$414,974
651	WATER IMPACT FUND	3,864,635	\$153,082	27%	\$270,356	13%	(\$117,274)	4,089,966	(\$342,606)	, , -, -,	\$3,912,912
652	WATER RATE STABILIZATION	\$26,896	\$23,688	3%	\$164	33%	\$23,524	7 7	\$50,420	\$50,420	, - / - / -
653	WATER -CAPITAL PROJECT	9,084,344	\$29,981	10%	\$581,280	25%	(\$551,299)	6,645,758	\$1,887,289	\$2,890,603	\$206,180
TOTAL E	NTERPRISE FUNDS		\$7 110 <i>1</i> 10	41%		28%	\$255,559	\$54,425,917	\$21,363,496	\$15,023,120	\$13,430,232
TOTAL	INTERPRISE FUNDS	<u>\$75,533,853</u>	<u>\$7,119,410</u>	4170	<u>\$6,863,851</u>	20 76	<u>\$255,559</u>	<del>\$34,423,917</del>	<u>\$21,303,490</u>	<u>\$15,025,120</u>	<u>\$13,430,232</u>
720	DATA DDOCESSING	400 400	<b>COA 704</b>	220/	¢E 4 10E	160/	\$30,549	256 200	\$256,762	\$204.0EC	
730	DATA PROCESSING	482,422	\$84,734	33%	\$54,185	16%	. ,	256,209	. ,	\$301,056	
740	BUILDING MAINTENANCE	1,045,710	\$555,492	33%	\$391,737	28%	\$163,755	48,100	\$1,161,365	\$1,243,395	
745	CIP ADMINISTRATION	23,328	\$389,530	28%	\$403,901	29%	(\$14,371)	61,165	(\$52,208)	\$81,528	
760	UNEMPLOYMENT INS.	\$32,787	\$19,435	33%	<b>****</b>	070/	\$19,435		\$52,222	\$52,223	<b>*</b> * * * * * * * * * * * * * * * * * *
770	WORKER'S COMP.	293,995	\$36,836	4%	\$209,157	27%	(\$172,321)	-	\$121,674	\$836,179	\$40,000
790	EQUIPMENT REPLACEMENT	3,487,850	\$169,136	31%	\$988	0%	\$168,148	664,504	\$2,991,494	\$3,182,290	
793	CORPORATION YARD	239,776	\$7,114	50%	\$23,027	na	(\$15,913)	299,097	(\$75,234)	\$2,215	
795	GEN'L LIABILITY INS.	\$762,411	\$190,573	38%	\$292,565	60%	(\$101,992)	\$9,807	\$650,612	\$731,362	
TOTAL II	NTERNAL SERVICE FUNDS	<u>\$6,368,279</u>	<u>\$1,452,850</u>	<u>27%</u>	<u>\$1,375,560</u>	<u>27%</u>	<u>\$77,290</u>		<u>\$5,106,687</u>	<u>\$6,430,249</u>	<u>\$40,000</u>
820	SPECIAL DEPOSITS							T		\$1,202,289	
843	M.H. BUS. RANCH 1998	\$1,547,842	\$7,990	31%	\$597,548	69%	(\$589,558)		\$958,284	\$64,953	\$893,872
844	MH RANCH RSMNT 2004A			3176							
845	MADRONE BP-TAX EXEMPT	\$1,049,273	\$6,611		\$529,600	89%	(\$522,989)		\$526,284 \$794.301	\$120,707	\$407,673 \$852,404
846	MADRONE BP-TAX EXEMPT	\$1,049,689 \$78,980	\$7,520 \$5,939	2%	\$262,908 \$43,518	59% 50%	(\$255,388) (\$37,579)		\$41,400	(\$18,124) \$23,672	\$17,868
	_	· · · · ·	\$4.262	31%	\$2,242		( ' ' /		\$468.330	\$472,509	\$17,000
848 881	TENNANT AVE.BUS.PK A.D. POLICE DONATION TRUST FUND	\$466,310 \$21,829	\$4,262 \$199	31%	\$2,242	na	\$2,020 \$199		\$22,028	\$472,509	CO4 04E
		\$21,029	\$199				\$199		\$22,028		\$21,845
TOTAL A	AGENCY FUNDS	<u>\$4,213,923</u>	<u>\$32,521</u>	<u>2%</u>	<u>\$1,435,816</u>	<u>72%</u>	<u>(\$1,403,295)</u>		<u>\$2,810,627</u>	<u>\$1,866,005</u>	<u>\$2,193,662</u>
SUMMAR	RY BY FUND TYPE										
	GENERAL FUND GROUP	\$9,954,543	\$4,794,319	26%	\$6,827,672	34%	(\$2,033,353)	\$500.873	\$7,420,317	\$7,570,444	\$6,312
	SPECIAL REVENUE GROUP	\$8,697,182	\$2,337,854	25%	\$1,911,418	15%	\$426,436	\$1,839,048	\$7,284,570	\$9,224,913	ψο,σ.Ξ
		\$861,356	\$336,467	46%	\$508,414	71%	(\$171,947)	ψ1,000,010	\$689,409	\$31.334	\$660.514
	DEBT SERVICE GROUP			1070	φοσο, τι τ		. , ,	<b>#40 770 000</b>		+ - /	\$16,206,527
	DEBT SERVICE GROUP CAPITAL PROJECTS GROUP			15%	\$7,158,300	13%	(\$2.768.031)	\$18.778.022 1	\$22.307.777 I	\$25.021.755 II	あしいことしいこう / /
	CAPITAL PROJECTS GROUP	\$43,853,830	\$4,390,269	15% 41%	\$7,158,300 \$6,863,851	13% 28%	(\$2,768,031) \$255,559	\$18,778,022 \$54,425,917	\$22,307,777 \$21,363,496	\$25,021,755 \$15,023,121	
	CAPITAL PROJECTS GROUP ENTERPRISE GROUP	\$43,853,830 \$75,533,853	\$4,390,269 \$7,119,410	41%	\$6,863,851	28%	\$255,559	\$18,778,022 \$54,425,917	\$21,363,496	\$15,023,121	\$13,430,232
	CAPITAL PROJECTS GROUP ENTERPRISE GROUP INTERNAL SERVICE GROUP	\$43,853,830 \$75,533,853 \$6,368,279	\$4,390,269 \$7,119,410 \$1,452,850	41% 27%	\$6,863,851 \$1,375,560	28% 27%	\$255,559 \$77,290		\$21,363,496 \$5,106,687	\$15,023,121 \$6,430,249	\$13,430,232 \$40,000
	CAPITAL PROJECTS GROUP ENTERPRISE GROUP INTERNAL SERVICE GROUP AGENCY GROUP	\$43,853,830 \$75,533,853 \$6,368,279 \$4,213,923	\$4,390,269 \$7,119,410 \$1,452,850 \$32,521	41% 27% 2%	\$6,863,851 \$1,375,560 \$1,435,816	28% 27% 72%	\$255,559 \$77,290 (\$1,403,295)	\$54,425,917	\$21,363,496 \$5,106,687 \$2,810,627	\$15,023,121 \$6,430,249 \$1,866,005	\$13,430,232 \$40,000 \$2,193,662
	CAPITAL PROJECTS GROUP ENTERPRISE GROUP INTERNAL SERVICE GROUP	\$43,853,830 \$75,533,853 \$6,368,279	\$4,390,269 \$7,119,410 \$1,452,850	41% 27%	\$6,863,851 \$1,375,560	28% 27%	\$255,559 \$77,290		\$21,363,496 \$5,106,687	\$15,023,121 \$6,430,249	\$13,430,232 \$40,000

For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

<sup>&</sup>lt;sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

<sup>&</sup>lt;sup>2</sup> Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



#### CITY OF MORGAN HILL CASH AND INVESTMENT REPORT FOR THE MONTH OF OCTOBER 2005 FOR THE FISCAL YEAR OF 2005-06

	Invested	ı	Book Value	Investment Category	% of	Market
	invested in Fund	Yield	End of Month	Investment Category Subtotal at Cost	% or Total	Market Value
Investments	III FUIIU	rieiu	End of Worth	Subtotal at Cost	IUIAI	value
State Treasurer LAIF - City	All Funds Pooled	3.32%	£44.2E0.402		11 510/	\$11 004 F47
			\$11,259,193		11.51%	\$11,234,517
- RDA	RDA	3.32%	\$5,685,481		5.82%	\$5,673,020
- Corp Yard	Corp Yard	3.32%	\$53,992		0.06%	\$53,873
Federal Issues	All Funds Pooled	3.20%	\$66,246,485		67.80%	\$64,756,560
SVNB CD	All Funds Pooled	3.60%	\$2,000,000		2.05%	\$2,000,000
Money Market	All Funds Pooled	3.00%	\$314,297	\$85,559,448	0.32%	\$314,297
Bond Reserve Accounts - held by trustees						
BNY - 2002 SCRWA Bonds						
MBIA Repurchase & Custody Agmt	Sewer	4.78%	\$1,849,400			
Blackrock Provident Temp Fund		2.44%	\$45,579		1.94%	\$1,894,979
US Bank - 1999 Water C.O.P.			<b>V</b> 10,010			<b>4</b> 1,000 1,010
FHLMC	Water	4.13%	\$414.974		0.42%	\$420,617
BNY - MH Water Revenue Bonds			Ψ,σ		0270	Ψ.20,0
Blackrock Liquidity Temp Fund	Water	1.38%	\$3,014,391		3.09%	\$4,722,710
BNY - MH Police Facility Lease Revenue Bond		1.5070	ψο,οι-τ,οοι		0.0070	Ψ+,122,110
JP Morgan Treasury Plus	Debt Service	2.22%	\$112,138		0.59%	\$112,138 °
FNMA	Public Facility	4.36%	\$462,311		0.5570	\$462,845
US Bank - MH Ranch 98	MH Ranch	4.50 /6	Ψ402,511			Ψ <del>4</del> 02,043
First American Treasury Obligation	Agency Fund	2.96%	\$893,872		0.91%	\$893,872
BNY - Madrone Bus Park Tax Exempt	Madrone Bus Park	2.90%	Φ093,01Z		0.91%	φο93,072
Blackrock Liquidity Temp Fund #20	Agency Fund	2.40%	\$853,212		0.87%	\$853,212
BNY - Madrone Bus Park Taxable	Madrone Bus Park	2.40%	Φ000,∠12		0.07 %	φουσ,212
		0.400/	¢40,000		0.000/	£40.000 s
Blackrock Liquidity Temp Fund #20	Agency Fund	2.40%	\$19,630		0.02%	\$19,630
BNY - MH Ranch 2004 A	MH Ranch Bus Park	0.440/	A 407 070	<b>#</b> 0.070.400	0.400/	0.407.070
Blackrock Provident Temp Fund	Agency Fund	2.44%	\$407,673	\$8,073,180	0.42%	\$407,673
Other Accounts/Deposits						
General Checking	All Funds		\$1,500,000		1.54%	\$1,500,000
Dreyfuss Treas Cash Management Account	All Funds		\$2,381,645		2.44%	\$2,381,645
Heritage Bank - Cash in Escrow Account	Streets/Pub Fac	0.90%	\$144,482		0.15%	\$144,482
Athens Administators Workers' Comp	Workers' Comp		\$40,000		0.04%	\$40,000
Petty Cash & Emergency Cash	Various Funds		\$6,312	\$4,072,439	0.01%	\$6,312
Total Cash and Investments		-	\$97,705,067	\$97,705,067	100.00%	\$97,892,382
					<u></u>	
MH Financing Authority Investment in		1.75% to				
MH Ranch AD Imprvmt Bond Series 2004		4.50%	\$4,795,000			<u>Unavailable</u>
MH Madrone Bus Park Bond Series A		5.82%	\$8,620,000			<u>Unavailable</u>
MH Madrone Bus Park Bond Series B		7.07%	\$1,110,000			Unavailable
						<del></del> -

#### CASH ACTIVITY SUMMARY FY 05/06

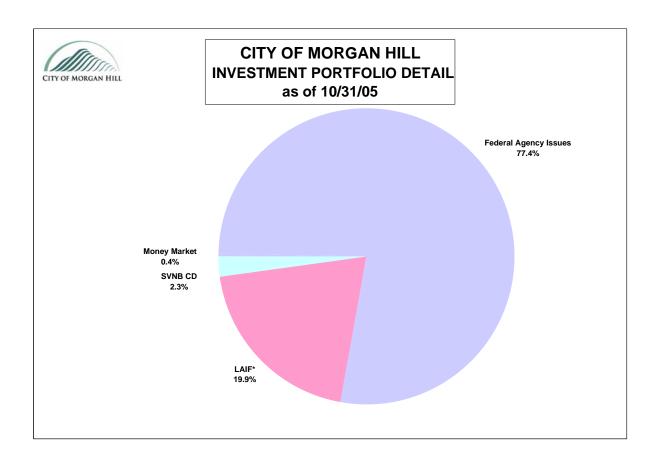
Fund Type	07/01/05 Balance	Change in Cash Balance	10/31/05 Balance	Restricted	Unrestricted
i una Typo	Balarios	Guon Balanoo	Balanco	1100ti 10t0u	Om com rotou
General Fund	\$10,455,185	(\$2,878,429)	\$7,576,756	\$6,312	\$7,570,444
Community Development	\$2,484,637	\$354,213	\$2,838,850	\$0	\$2,838,850
RDA (except Housing)	\$12,565,424	(\$3,936,040)	\$8,629,384	\$0	\$8,629,384
Housing / CDBG	\$7,048,619	(\$1,262,919)	\$5,785,700	\$0	\$5,785,700
Water - Operations	\$4,039,659	\$791,428	\$4,831,087	\$414,974	\$4,416,113
Water Other	\$7,876,280	(\$816,165)	\$7,060,115	\$4,119,092	\$2,941,023
Sewer - Operations	\$4,352,715	(\$1,144,338)	\$3,208,377	\$1,894,979	\$1,313,398
Sewer Other	\$13,685,930	(\$332,156)	\$13,353,774	\$7,001,187	\$6,352,587
Other Special Revenue	\$4,926,444	\$276,655	\$5,203,099	\$0	\$5,203,099
Streets and Capital Projects (except RDA)	\$26,522,147	\$1,474,013	\$27,996,160	\$16,206,526	\$11,789,634
Assessment Districts/Debt Service	\$862,668	(\$170,819)	\$691,849	\$660,514	\$31,335
Internal Service	\$6,597,707	(\$127,458)	\$6,470,249	\$40,000	\$6,430,249
Agency Funds	<u>\$5,331,070</u>	(\$1,271,403)	<u>\$4,059,667</u>	\$2,193,662	\$1,866,005
Total	<u>\$106,748,485</u>	<u>(\$9,043,418)</u>	\$97,705,067	\$32,537,247	<u>\$65,167,820</u>

Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information on the investment reports on pages 6-8 has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

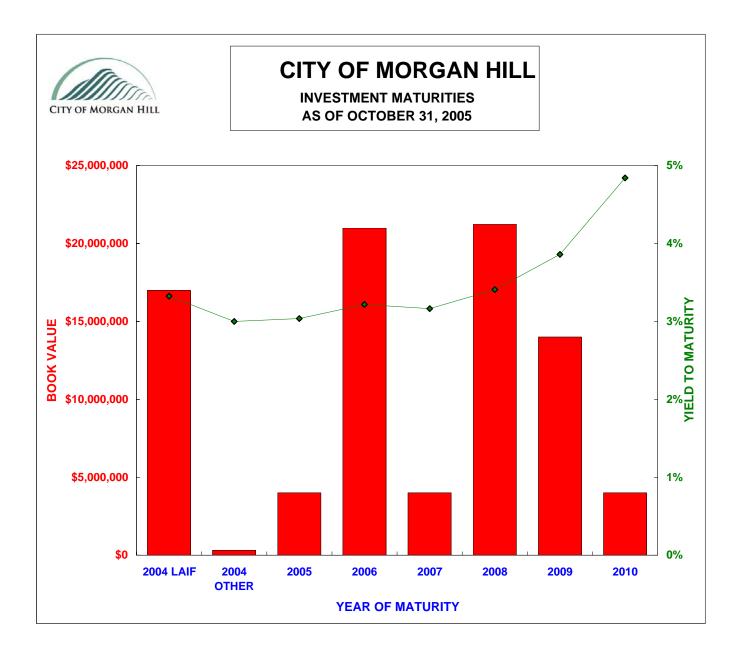
	Approved by:			
Lourdes Reroma Accountant I	'''	Jack Dilles Director of Finance		
Tina Reza		Mike Roorda		
	Accountant I	Accountant I  Tina Reza	Lourdes Reroma Accountant I  Tina Reza  Jack Dilles Director of Finance	

<sup>\*</sup> Market value as of 09/30/09



Investment Type	Purchase Date	Book Value	% of Portfolio	Market Value	Stated Rate	Interest Earned	Next Call Date	Date of Maturity	Years to Maturity
LAIF*		\$16,998,667	19.87%	\$16,961,411	3.324%	\$301,208			0.003
SVNB CD	07/07/05	\$2,000,000	2.34%	\$2,000,000	3.600%	\$23,400		07/06/07	1.679
Federal Agency Issues									
Fed Home Loan Bank	05/21/04	\$2,000,000	2.34%	\$1,998,120	2.474%	\$16,538	n/c	11/21/05	0.055
Fed Home Loan Bank	01/25/05	\$2,000,000	2.34%	\$1,993,760	3.000%	\$20,119	01/25/06	01/25/06	0.233
Fed Home Loan Mgt Corp	10/12/04	\$2,000,000	2.34%	\$1,984,980	2.700%	\$18,164	anytime	04/12/06	0.444
Fed Home Loan Bank	02/26/04	\$2,000,000	2.34%	\$1,979,380	2.563%	\$17,262	11/26/05	05/26/06	0.564
Fed Home Loan Bank	10/26/2005	\$4,000,000	4.68%	\$3,990,000	4.125%	\$2,720	n/c	07/26/06	0.732
Fed Home Loan Bank	11/29/04	\$2,000,000	2.34%	\$1,976,880	3.076%	\$20,734	11/28/05	08/28/06	0.822
Fed Home Loan Mgt Corp	11/30/04	\$2,000,000	2.34%	\$1,976,680	3.070%	\$20,634	08/30/06	08/30/06	0.827
Fed Home Loan Bank	03/08/05	\$1,999,434	2.34%	\$1,981,880	3.470%	\$23,589	12/08/05	09/08/06	0.852
Fed Home Loan Bank	12/15/04	\$2,000,000	2.34%	\$1,978,120	3.250%	\$21,667	12/15/05	09/15/06	0.871
Fed Home Loan Bank	03/15/05	\$1,000,000	1.17%	\$990,940	3.500%	\$11,772	12/15/05	09/15/06	0.871
Fed Home Loan Bank	03/29/04	\$2,000,000	2.34%	\$1,948,760	2.650%	\$17,793	12/29/06	12/29/06	1.159
Fed Home Loan Bank	03/18/04	\$2,000,000	2.34%	\$1,950,000	3.030%	\$20,375	12/18/05	06/18/07	1.627
Fed Home Loan Bank	03/29/04	\$2,000,000	2.34%	\$1,925,620	3.300%	\$22,161		12/28/07	2.156
Fed Home Loan Mat Corp	03/12/03	\$2,000,000	2.34%	\$1,948,380	3.500%	\$23,554		03/12/08	2.362
Fed Home Loan Bank	03/26/03	\$2,000,000	2.34%	\$1,940,000	3.375%	\$22,671	anytime	03/26/08	2.400
Fed Home Loan Mgt Corp	04/16/03	\$2,000,000	2.34%	\$1,950,080	3.600%	\$24,214		04/16/08	2.458
Fed Home Loan Mgt Corp	04/17/03	\$1,997,051	2.33%	\$1,944,880	3.625%	\$25,229	04/17/06	04/17/08	2.460
Fed Farm Credit Bank	06/03/03	\$2,000,000	2.34%	\$1,928,760	3.210%	\$21,575		06/03/08	2.589
Fed Farm Credit Bank	06/12/03	\$2,000,000	2.34%	\$1,915,620	2.950%	\$19,828		06/12/08	2.614
Fed Home Loan Bank	07/30/03	\$2,000,000	2.34%	\$1,913,760	3.000%	\$20,133		07/30/08	2.745
Fed Home Loan Bank	07/30/03	\$2,000,000	2.34%	\$1,926,880	3.243%		01/30/06	07/30/08	2.745
Fed Home Loan Bank	07/30/03	\$2,000,000	2.34%	\$1,933,120	3.400%		01/30/06	07/30/08	2.745
Fed Home Loan Bank	08/14/03	\$1,250,000	1.46%	\$1,216,800	3.690%	\$15,508	11/14/05	08/14/08	2.745
Fed Home Loan Bank	10/15/03		2.34%		4.000%		anytime	10/15/08	2.766
Fed Farm Credit Bank	03/16/04	\$2,000,000	2.34%	\$1,958,120	3.650%	\$13,453 \$24,551	anytime	03/16/09	3.373
		\$2,000,000		\$1,902,500					
Fed Home Loan Bank	03/26/04	\$2,000,000	2.34%	\$1,950,000	4.000%	\$26,869	11/26/05	03/26/09	3.400
Fed Home Loan Bank	04/06/04	\$2,000,000	2.34%	\$1,928,760	3.625%	\$24,393	anytime	04/06/09	3.430
Fed Home Loan Bank	04/07/04	\$2,000,000	2.34%	\$1,926,880	3.600%	\$24,224		04/07/09	3.433
Fed National Mortgage	04/16/04	\$2,000,000	2.34%	\$1,933,760	3.750%	\$25,223	01/6/06	04/16/09	3.458
Fed Home Loan Bank	04/29/04	\$2,000,000	2.34%	\$1,934,380	3.750%	\$25,208		04/29/09	3.493
Fed Home Loan Bank	09/29/05	\$2,000,000	2.34%	\$1,969,380	4.650%	\$8,478	09/29/06	09/29/09	3.912
Fed Home Loan Bank	08/16/05	\$2,000,000	2.34%	\$1,986,880	4.875%	\$20,401	08/16/06	08/16/10	4.792
Fed Farm Credit Bank	08/30/05	\$2,000,000	2.34%	\$1,972,500	4.810%		09/07/07	09/07/10	4.852
Redeemed in FY 05/06		<b>^</b>	400/	AA4 = FA =	0.0040/	\$567			
Sub Total/Average		\$66,246,485	77.43%	\$64,756,560	3.204%	\$661,107			2.219
Money Market		\$314,297	0.37%	\$314,297	3.000%	\$1,834			0.003
TOTAL/AVERAGE		\$85,559,448	100.00%	\$84,032,267	3.455%	\$987,549			1.764

<sup>\*</sup>Per State Treasurer Report dated 9/30/2005, LAIF had invested approximately 9% of its balance in Treasury Bills and Notes, 24% in CDs, 18% in Commercial Paper and Corporate Bonds, 0% in Banker's Acceptances and 49% in others.



YEAR OF	BOOK	MARKET	AVERAGE	% OF
MATURITY	VALUE	VALUE	RATE	TOTAL
2004 LAIF	\$16,998,667	\$16,961,411	3.324%	19.87%
2004 OTHER	\$314,297	\$314,297	3.000%	0.37%
2005	\$4,000,000	\$3,998,120	3.037%	4.68%
2006	\$20,999,434	\$20,801,380	3.217%	24.54%
2007	\$4,000,000	\$3,875,620	3.165%	4.68%
2008	\$21,247,051	\$20,576,400	3.408%	24.83%
2009	\$14,000,000	\$13,545,660	3.861%	16.36%
2010	\$4,000,000	\$3,959,380	4.843%	4.68%
TOTAL	\$85,559,448	\$84,032,267	3.455%	100.00%



FUND	ADORTED	AMENDED	CURRENT YTD	%	DDIOD	INCR (DECR)	%
REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	ACTUAL	% OF BUDGET	PRIOR YTD	FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
<u>TAXES</u>							
Property Taxes - Secured/Unsecured/Prio	4,356,790	4,356,790	409,012	9%	387,984	21,028	5%
Supplemental Roll	176,280	176,280	81,171	46%	16,337	64,834	397%
Sales Tax	5,460,000	5,460,000	1,368,829	25%	1,450,569	(81,740)	-6%
Public Safety Sales Tax	264,600	264,600	65,232	25%	62,909	2,323	4%
Transient Occupancy Taxes	974,560	974,560	259,922	27%	285,118	(25,196)	-9%
Franchise (Refuse ,Cable ,PG&E)	1,030,700	1,030,700	147,679	14%	144,624	3,055	2%
Property Transfer Tax  FOTAL TAXES	378,525 <b>12,641,455</b>	378,525 <b>12,641,455</b>	130,510 <b>2,462,355</b>	<u>34</u> % <b>19%</b>	109,233 <b>2,456,774</b>	21,277 <b>5,581</b>	<u>19</u> % <b>0%</b>
	, , , , , , , , , , , , , , , , , , , ,	, , , , , , , ,	, , ,,,,,		,,	-,	
LICENSES/PERMITS  Business License	159,650	159,650	143,432	90%	210,730	(67,298)	-32%
Other Permits	2,030	2,030	1,505	<u>74</u> %	623	882	142%
TOTAL LICENSES/PERMITS	161,680	161,680	144,937	90%	211,353	(66,416)	-31%
FINES AND PENALTIES							
Parking Enforcement	10,000	10,000	7,796	78%	1,424	6,372	447%
City Code Enforcement	53,500	53,500	70,702	132%	11,708	58,994	504%
Business tax late fee/other fines	1,200	1,200	891	74%	1,034	(143)	-14%
TOTAL FINES AND PENALTIES	64,700	64,700	79,389	123%	14,166	65,223	460%
OTHER AGENCIES							
Motor Vehicle in-Lieu	188,776	188,776	136,434	72%	263,949	(127,515)	-48%
Other Revenue - Other Agencies	246,400	246,400	79,006	<u>32</u> %	24,813	54,193	<u>218</u> %
TOTAL OTHER AGENCIES	435,176	435,176	215,440	<del>50</del> %	288,762	(73,322)	-25%
CHARGES CURRENT SERVICES							
False Alarm Charge	25,000	25,000	458	2%		458	n/a
Business License Application Review	23,000	23,000	8,469	37%	7,623	846	11%
Recreation Revenue	282,400	282,400	92,569	33%	102,044	(9,475)	-9%
Aquatics Revenue	1,265,400	1,265,400	630,141	50%	648,286	(18,145)	-3%
General Administration Overhead	1,791,375	1,791,375	597,126	33%	597,950	(824)	0%
Other Charges Current Services	503,650	503,650	74,768	<u>15</u> %	75,005	(237)	<u>0</u> %
TOTAL CURRENT SERVICES	3,890,825	3,890,825	1,403,531	36%	1,430,908	(27,377)	-2%
OTHER REVENUE	400 750	400 750	470.400	000/	074.404	(00.050)	000/
Use of money/property	438,750	438,750	173,136	39%	271,194	(98,058)	-36%
Recreation Rentals	484,250 163,600	484,250	185,483	38%	0.047	185,483	n/a 87%
Other Revenues  TOTAL OTHER REVENUE	1,086,600	163,600 1,086,600	18,398 <b>377,017</b>	<u>11</u> % <b>35%</b>	9,847 <b>281,041</b>	8,551 <b>95,976</b>	34%
TRANSFERS IN							
Park Maintenance	125,000	125,000	31,250	25%		31,250	n/a
Sewer Enterprise	41,200	41,200	13,733	33%	6,667	7,066	106%
Water Enterprise	20,000	20,000	6,667	33%	6,667	- ,	n/a
Public Safety	175,000	175,000	58,333	33%	58,333	-	n/a
Community Rec Center	85,665	85,665	, , , ,	n/a	, -	-	n/a
HCD Block Grant	5,000	5,000	1,667	33%	5,000	(3,333)	-67%
Other Funds				<u>n/a</u>	96,308	(96,308)	<u>-100%</u>
TOTAL TRANSFERS IN	451,865	451,865	111,650		172,975	(61,325)	-35%
TOTAL GENERAL FUND	18,732,301	18,732,301	4,794,319	26%	4,855,979	(61,660)	-1%



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	699,600	699,600	146,537	21%	177,855	(31,318)	-18%
CIP Grants	3,325,000	3,325,000		n/a		-	n/a
Reimbursement of Expenses	26,000	26,000	33,752	130%		33,752	n/a
Transfers In	700,000	700,000	225,000	32%	225,000	-	n/a
Project Reimbursement		-		n/a	167,405	(167,405)	-100%
Interest / Other Revenue/Other Charges	41,000	41,000	10,024	<u>24%</u>	31,473	(21,449)	<u>-68%</u>
202 STREET MAINTENANCE	4,791,600	4,791,600	415,313	9%	601,733	(186,420)	-31%
204/205 PUBLIC SAFETY TRUST							
Interest Income	8,885	8,885	2,061	23%	2,058	3	0%
Police Grant/SLEF	100,000	100,000	100,000	100%		100,000	n/a
204/205 PUBLIC SAFETY TRUST	108,885	108,885	102,061	94%	2,058	100,003	4859%
06 COMMUNITY DEVELOPMENT							
Building Fees	1,483,000	1,483,000	706,956	48%	667,501	39,455	6%
Planning Fees	616,800	616,800	306,027	50%	386,097	(80,070)	-21%
Engineering Fees	875,000	875,000	381,593	44%	459,444	(77,851)	-17%
Other Revenue/Current Charges	48,620	48,620	25,042	52%	9,559	15,483	162%
<u>Transfers</u>				<u>n/a</u>			<u>n/a</u>
06 COMMUNITY DEVELOPMENT	3,023,420	3,023,420	1,419,618	47%	1,522,601	(102,983)	-7%
207 GENERAL PLAN UPDATE	145,286	225,286	147,978	66%	56,884	91,094	160%
215 and 216 HCD BLOCK GRANT							
HCD allocation	396,714	396,714		n/a		-	n/a
CIP Grants	100,000	100,000		n/a			n/a
Interest Income/Other Revenue	1,460	1,460	241	<u>17%</u>	101	140	<u>139%</u>
15 and 216 HCD BLOCK GRANT	498,174	498,174	241	0%	101	140	139%
10 COMMUNITY CENTER	3,500	3,500	1,863	53%	17,202	(15,339)	-89%
25 ASSET SEIZURE	1,664	1,664	80	5%	10,203	(10,123)	-99%
29 LIGHTING AND LANDSCAPE	138,000	138,000	83	0%	9	74	822%
32 ENVIRONMENTAL PROGRAMS	533,050	533,050	129,930	24%	117,185	12,745	11%
34 MOBILE HOME PARK RENT STAB.	9,873	9,873	6,666	68%	6,108	558	9%
35 SENIOR HOUSING	6,890	6,890	2,274	33%	1,317	957	73%
36 HOUSING MITIGATION	140,000	140,000	96,719	69%	50,949	45,770	90%
240 EMPLOYEE ASSISTANCE	42,768	42,768	9,925	23%	13,345	(3,420)	-26%
247 ENVIRONMENT REMEDIATION	8,500	8,500	5,103	60%	2,965	2,138	72%
OTAL SPECIAL REVENUE FUNDS	9,451,610	9,531,610	2,337,854	25%	2,402,660	(64,806)	-3%



CITY OF MORGAN HILL	33% of Year Co	mpietea					
FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANG
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	814,768	814,768	362,241	44%	215,097	147,144	68%
302 PARK MAINTENANCE	415,557	415,557	166,260	40%	203,580	(37,320)	-18%
303 LOCAL DRAINAGE	1,276,297	1,276,297	244,647	19%	227,208	17,439	8%
304 LOCAL DRAINAGE/NON AB1600	356,795	356,795	123,084	34%	89,579	33,505	37%
306 OPEN SPACE	170,972	170,972	164,096	96%	189,966	(25,870)	-14%
309 TRAFFIC MITIGATION	1,128,092	1,128,092	694,288	62%	261,183	433,105	166%
311 POLICE MITIGATION	105,743	105,743	25,027	24%	32,950	(7,923)	-24%
313 FIRE MITIGATION	195,345	195,345	55,811	29%	41,884	13,927	33%
317 RDA CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	15,169,461	15,169,461	191,209	1%	140,749	50,460	36%
Loan Proceeds	4,500,000	4,500,000	610,000	14%		610,000	n/a
Interest Income, Rents	297,947	297,947	437,661	147%	30,483	407,178	1336%
Other Agencies/Current Charges/Transfer			654,043	<u>n/a</u>	111,437	542,606	487%
317 RDA CAPITAL PROJECTS	19,967,408	19,967,408	1,892,913	9%	282,669	1,610,244	570%
327/328 RDA L/M HOUSING							
Property Taxes & Supplemental Roll	4,402,175	4,402,175	47,802	1%	35,187	12,615	36%
Interest Income, Rent	10,450	10,450	83,654	801%	52,445	31,209	60%
Transfers/Other	-	-	3,683		451	3,232	717%
327/328 RDA L/M HOUSING	4,412,625	4,412,625	135,139	3%	88,083	47,056	53%
346 PUBLIC FACILITIES NON-AB1600	228,008	228,008	331,618	145%	7,624,426	(7,292,808)	-96%
347 PUBLIC FACILITIES	77,720	77,720	120,174	155%	30,177	89,997	298%
348 LIBRARY	123,155	123,155	37,887	31%	14,006	23,881	171%
350 UNDERGROUNDING	189,883	189,883	9,384	5%	113,252	(103,868)	-92%
340/342 MH BUS.RANCH CIP I & II	3,145	3,145	222	7%	544	(322)	-59%
360 COMMUNITY/REC IMPACT FUND	80,719	80,719	27,478	34%	18,011	9,467	53%
TOTAL CAPITAL PROJECTS FUNDS	29,546,232	29,546,232	4,390,269	15%	9,432,615	(5,042,346)	-53%
DEBT SERVICE FUNDS							
441 POLICE FACILITY BOND	483,763	483,763	335,241	69%		335,241	n/a
536 ENCINO HILLS	-	-		n/a		-	n/a
539 MORGAN HILL BUSINESS PARK	-	-		n/a		-	n/a
542 SUTTER BUSINESS PARK	-	-		n/a		-	n/a
545 COCHRANE BUSINESS PARK	206,304	206,304	1,183	1%	1,813	(630)	-35%
551 JOLEEN WAY	37,016	37,016	43	0%	23,591	(23,548)	-100%
TOTAL DEBT SERVICE FUNDS	727,083	727,083	336,467	46%	25,404	311,063	1224%



5,600,535 191,414 142,600 5,934,549 345,048 1,560,000 	1,842,046 58,196 34,519 1,934,761 62,804 916,002 264 979,070	% OF BUDGET  33% 30% 24% 33%  18% 59% n/a 51%	1,811,990 13,806 73,401 1,899,197 32,551 426,388 450,203	30,056 44,390 (38,882) 35,564 30,253 489,614 	% CHANGE  2% 322% -53% 2%  93% 115% n/a
5,600,535 191,414 142,600 <b>5,934,549</b> 345,048 1,560,000	1,842,046 58,196 34,519 1,934,761 62,804 916,002 264 979,070	33% 30% 24% <b>33%</b> 18% 59% n/a	1,811,990 13,806 73,401 1,899,197 32,551 426,388 264	30,056 44,390 (38,882) <b>35,564</b> 30,253 489,614	2% 322% - <u>53</u> % <b>2%</b> 93% 115% n/a
191,414 142,600 <b>5,934,549</b> 345,048 1,560,000	58,196 34,519 1,934,761 62,804 916,002 264 979,070	30% 24% 33% 18% 59% n/a	13,806 73,401 <b>1,899,197</b> 32,551 426,388 264	44,390 (38,882) <b>35,564</b> 30,253 489,614	322% - <u>53</u> % <b>2%</b> 93% 115% n/a
191,414 142,600 <b>5,934,549</b> 345,048 1,560,000	58,196 34,519 1,934,761 62,804 916,002 264 979,070	30% 24% 33% 18% 59% n/a	13,806 73,401 <b>1,899,197</b> 32,551 426,388 264	44,390 (38,882) <b>35,564</b> 30,253 489,614	322% - <u>53</u> % <b>2%</b> 93% 115% n/a
345,048 1,560,000 1,905,048	34,519 1,934,761 62,804 916,002 264 979,070	24% 33% 18% 59% n/a	73,401 1,899,197 32,551 426,388 264	30,253 489,614	- <u>53</u> % <b>2%</b> 93% 115% n/a
345,048 1,560,000 - 1,905,048	1,934,761 62,804 916,002 264 979,070	33% 18% 59% n/a	1,899,197 32,551 426,388 264	35,564 30,253 489,614	93% 115% n/a
345,048 1,560,000 	62,804 916,002 264 <b>979,070</b>	18% 59% n/a	32,551 426,388 264	30,253 489,614 	93% 115% n/a
1,560,000 - 1,905,048	916,002 264 <b>979,070</b>	59% n/a	426,388 264	489,614	115% n/a
1,560,000 - 1,905,048	916,002 264 <b>979,070</b>	59% n/a	426,388 264	489,614	115% n/a
1,905,048	979,070	n/a	264		n/a
	979,070			519.867	
	·	51%	4E0 202	519 867	1120/
119,167	44 500		459,203	010,001	113%
	41,529	35%	20,643	20,886	101%
294,560	16,539	6%	14,199	2,340	16%
8,253,324	2,971,899	36%	2,393,242	578,657	24%
6,229,900	3,328,782	53%	3,090,423	238,359	8%
70,000	37,122	53%	45,940	(8,818)	-19%
472,202	117,413	25%	22,262	95,151	427%
879,500	457,443	52%	312,310	145,133	46%
7,651,602	3,940,760	<b>52</b> %	3,470,935	469,825	14%
207 076	35 449	17%	5 417 807	(5.382.358)	-99%
					26%
					-97%
	·				
702,000	23,688	3%	137	23,551	17191%
297,217	29,981	10%	2,339,422	(2,309,441)	-99%
9,219,895	4,147,511	45%	11,321,528	(7,174,017)	-63%
17,473,219	7,119,410	41%	13,714,770	(6,595,360)	-48%
254.202	84.734	33%	76.990	7.744	10%
•	-		-	•	1%
	•		-	•	5%
	-		,		n/a
	-		342.793	•	-89%
•	-		-		45%
•	-		-	•	-63%
506,470	190,573	38%	146,881	43,692	30%
5,373,858	1,452,850	27%	1,624,873	(172,023)	-11%
	8,253,324  6,229,900 70,000 472,202 879,500  7,651,602  207,076 362,000 569,076 702,000 297,217  9,219,895  17,473,219  254,202 1,666,477 1,415,000 58,305 920,509 538,545 14,350 506,470	8,253,324       2,971,899         6,229,900       3,328,782         70,000       37,122         472,202       117,413         879,500       457,443         7,651,602       3,940,760         207,076       35,449         362,000       117,633         569,076       153,082         702,000       23,688         297,217       29,981         9,219,895       4,147,511         17,473,219       7,119,410         254,202       84,734         1,666,477       555,492         1,415,000       389,530         58,305       19,435         920,509       36,836         538,545       169,136         14,350       7,114         506,470       190,573	8,253,324     2,971,899     36%       6,229,900     3,328,782     53%       70,000     37,122     53%       472,202     117,413     25%       879,500     457,443     52%       7,651,602     3,940,760     52%       207,076     35,449     17%       362,000     117,633     32%       569,076     153,082     27%       702,000     23,688     3%       297,217     29,981     10%       9,219,895     4,147,511     45%       17,473,219     7,119,410     41%       254,202     84,734     33%       1,666,477     555,492     33%       1,415,000     389,530     28%       58,305     19,435     33%       920,509     36,836     4%       538,545     169,136     31%       14,350     7,114     50%       506,470     190,573     38%	8,253,324         2,971,899         36%         2,393,242           6,229,900         3,328,782         53%         3,090,423           70,000         37,122         53%         45,940           472,202         117,413         25%         22,262           879,500         457,443         52%         312,310           7,651,602         3,940,760         52%         3,470,935           207,076         35,449         17%         5,417,807           362,000         117,633         32%         93,227           569,076         153,082         27%         5,511,034           702,000         23,688         3%         137           297,217         29,981         10%         2,339,422           9,219,895         4,147,511         45%         11,321,528           17,473,219         7,119,410         41%         13,714,770           254,202         84,734         33%         76,990           1,666,477         555,492         33%         550,870           1,415,000         389,530         28%         371,161           58,305         19,435         33%         920,509         36,836         4%         342,793	8,253,324         2,971,899         36%         2,393,242         578,657           6,229,900         3,328,782         53%         3,090,423         238,359           70,000         37,122         53%         45,940         (8,818)           472,202         117,413         25%         22,262         95,151           879,500         457,443         52%         312,310         145,133           7,651,602         3,940,760         52%         3,470,935         469,825           207,076         35,449         17%         5,417,807         (5,382,358)           362,000         117,633         32%         93,227         24,406           569,076         153,082         27%         5,511,034         (5,357,952)           702,000         23,688         3%         137         23,551           297,217         29,981         10%         2,339,422         (2,309,441)           9,219,895         4,147,511         45%         11,321,528         (7,174,017)           17,473,219         7,119,410         41%         13,714,770         (6,595,360)           254,202         84,734         33%         76,990         7,744           1,666,477         <



		•					
FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	<b>AMENDED</b>	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I	_	-		n/a		-	n/a
842 M.H. BUS.RANCH A.D. II	-	-		n/a		-	n/a
843 M.H. BUS.RANCH 1998	898,976	898,976	7,990	1%	3,357	4,633	138%
844 M.H. RANCH REFUNDING 2004A	612,433	612,433	6,611	1%	302,542	(295,931)	-98%
845 MADRONE BP-TAX EXEMPT	462,228	462,228	7,520	2%	2,823	4,697	166%
846 MADRONE BP-TAXABLE	91,543	91,543	5,939	6%	532	5,407	1016%
848 TENNANT AVE.BUS.PK A.D.	12,909	12,909	4,262	33%	2,245	2,017	90%
881 POLICE DONATION TRUST FUND	642	642	199	31%	111	88	79%
TOTAL AGENCY FUNDS	2,078,731	2,078,731	32,521	2%	311,610	(279,089)	-90%
TOTAL FOR ALL FUNDS	83,383,034	83,463,034	20,463,690	25%	32,367,911	(11,931,230)	-37%
TO THE TORNEL TORDS	00,000,004	00,100,001	20,100,000	2070	02,007,011	(11,001,200)	



III. COMMUNITY IMPROVEMENT
PARK MAINTENANCE

TOTAL COMMUNITY IMPROVEMENT

City of Morgan Hill Year to Date Expenses - Fiscal Year 2005/06 For the Month of October 2005

	CITY OF MORGAN HILL		33% of Year 0	Completed				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
010 GEN	IERAL FUND							
I. GENE	RAL GOVERNMENT							
COUN	ICIL AND MISCELLANEOUS GOVT.							
	City Council	13,408	207,067	207,749	57,317	2,886	60,203	29%
	Community Promotions ICIL AND MISCELLANEOUS GOVT.	1,147	41,022	52,627	28,387	2,886	28,387	<u>54</u> %
COUN	ICIL AND MISCELLANEOUS GOVI.	14,555	248,089	260,376	85,704	2,000	88,590	34%
CITY	ATTORNEY	61,058	566,690	566,690	207,145	264,551	471,696	<u>83%</u>
CITY	MANAGER							
	City Manager	26,106	330,948	330,948	119,462		119,462	36%
	Cable Television	893	37,611	37,611	8,339	18,400	26,739	71%
	Communications & Marketing	3,513	146,792	171,792	33,173	59,500	92,673	<u>54</u> %
CITY	MANAGER	30,512	515,351	540,351	160,974	77,900	238,874	44%
RECR	EATION							
	Recreation	7,389	311,071	311,071	45,666		45,666	15%
	Community & Cultural Center	105,327	1,280,015	1,280,015	432,428	109,047	541,475	42%
	Aquatics Center	64,067	1,403,838	1,403,838	662,838	7,999	670,837	48%
	Indoor Recreation Center	128	85,665	85,665	513		513	<u>1%</u>
RECR	EATION	176,911	3,080,589	3,080,589	1,141,445	117,046	1,258,491	41%
	AN RESOURCES							
	Human Resources	36,988	488,604	488,604	153,721	2,283	156,004	<u>32%</u>
HUMA	AN RESOURCES	36,988	488,604	488,604	153,721	2,283	156,004	32%
COUN	ICIL SERV & RECORDS MGMT							
	Council Serv & Records Mgmt	17,873	258,591	258,591	80,090		80,090	31%
	Elections	3,397	47,788	47,788	15,143		15,143	<u>32</u> %
CITY	CLERK	21,270	306,379	306,379	95,233	-	95,233	31%
FINA	NCE	69,180	982,085	982,085	317,241	10,455	327,696	33%
TOTAL G	ENERAL GOVERNMENT	410,474	6,187,787	6,225,074	2,161,463	475,121	2,636,584	42%
II. PUBLI	C SAFETY							
50115	\=							
POLIC	<del>-</del>		040 40-	010 10-	0040:-		00403=	4507
	PD Administration	41,411	812,406	812,406	364,845	0.050	364,845	45%
	Field Operations Support Services	355,978 79,888	4,186,166 1,040,162	4,186,902 1,040,162	1,644,455 301,909	2,358	1,646,813 301,909	39% 29%
	Emergency Services/Haz Mat	1,895	49,494	53,507	3,110	4,013	7,123	13%
	Special Operations	96,829	1,486,523	1,486,523	386,006	44	386,050	26%
	Animal Control	6,334	100,734	100,734	28,074	• • • • • • • • • • • • • • • • • • • •	28,074	28%
	Dispatch Services	66,600	1,082,581	1,082,981	288,696	400	289,096	<u>27</u> %
POLIC	•	648,935	8,758,066	8,763,215	3,017,095	6,815	3,023,910	<del>35</del> %
FIRE		364,295	4,377,495	4,377,495	1,413,017	-	1,413,017	32%
TOTAL PI	UBLIC SAFETY	1,013,230	13,135,561	13,140,710	4,430,112	6,815	4,436,927	34%
		1,010,000	,,	,,	,,,,,,,,	5,210	,,,,,,,,,	2.,,2

711,485

711,485

232,764

232,764

18,937

18,937

251,701

251,701

35%

35%

698,893

698,893

58,560

58,560



Name	FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
Cemeral Plant Update   833   10,000   10,000   3,333   .   3,333   33%	IV. TRA	ANSFERS							
SPECIAL REVENUE FUNDS		General Plan Update	833	10,000	10,000	3,333	-	3,333	33%
SPECIAL REVENUE FUNDS	тс	OTAL TRANSFERS	833	10,000	10,000	3,333	-	3,333	33%
202 STREET MAINTENANCE   Street Maintenance/Traffic   89.271   1,855,834   1,909,134   437,360   148,332   585,692   31%   COngestion Management   3,484   84,994   84,994   16,030   - 16,030   19%   15%	TOTAL (	GENERAL FUND	1,483,097	20,032,241	20,087,269	6,827,672	500,873	7,328,545	36%
Street Mainteannea/Traffic   89.271   1,855,834   1,909,134   437,360   148,332   585,662   31%   Congestion Management   3,484   84.994   84.994   16,030   - 16,030   19%   Street CIP   45,002   3,427,989   3,515,594   138,400   385,427   523,827   15%   Street CIP   45,002   3,427,989   3,515,594   138,400   385,427   523,827   15%   20%   20%   204/205   PUBLIC SAFETY/SUPP.LAW   14,627   175,519   175,519   58,506   58,506   33%   204/205   PUBLIC SAFETY/SUPP.LAW   14,627   175,519   175,519   58,506   78,497   451,465   34%   451,	SPECIA	L REVENUE FUNDS							
Congestion Management   34,844   84,994   84,994   16,030   16,030   19%   15%   19%   198,400   385,427   623,827   15%   1	202 STR	EET MAINTENANCE							
Congestion Management   34,844   84,994   84,994   16,030   16,030   19%   15%   19%   198,400   385,427   623,827   15%   1			89.271	1.855.834	1.909.134	437.360	148.332	585.692	31%
Street CIP			,				5,532	,	
202 STREET MAINTENANCE 137,757 5,368,817 5,509,712 591,790 533,759 1,125,549 20% 204/205 PUBLIC SAFETY/SUPP_LAW 14,627 175,519 175,519 58,506 58,506 33% 206 COMMUNITY DEVELOPMENT FUND Planning 109,879 1,219,194 1,323,006 372,968 78,497 451,465 34% Bullding 64,103 1,129,216 1,205,324 306,773 64,478 373,251 31% PW-Engineering 83,709 1,145,151 1,188,372 328,262 180,774 509,026 43% 206 COMMUNITY DEVELOPMENT FUND 257,691 3,493,561 3,716,702 1,009,993 323,749 1,333,742 36% 206 COMMUNITY DEVELOPMENT FUND 257,691 3,493,561 3,716,702 1,009,993 323,749 1,333,742 36% 215,216 CDBG 49,767 505,714 53,529 56,664 232,998 289,662 46% 215,216 CDBG 49,767 505,714 53,529 56,664 232,998 289,662 46% 222 EVIRONMENT PROGRAMS 55,805 402,505 447,055 111,4017 108,825 222,842 50% 222 EVIRONMENT PROGRAMS 55,805 402,505 447,055 111,4017 108,825 222,842 50% 225 SENDE HOUSING TRUST FUND 1,315,000 1,315,000 13,000 16% 225 EVIRON HOUSING TRUST FUND 1,315,000 1,315,000 150,000 11%,000 16% 206 EMPLOYEE ASSISTANCE 2,000 57,500 9,200 - 9,200 150,000 16% 247 ENVIRONMENT PREMEDIATION FUID 5,680 152,500 152,500 5,680 - 5,680 4% CDEPLOYEE ASSISTANCE 2,000 57,500 5,680 - 5,680 4% CDEPLOYEE ASSISTANCE 2,000 57,500 5,680 - 5,680 4% CDEPLOYEE ASSISTANCE 3,003 16%,000 180,							385,427		
206 COMMUNITY DEVELOPMENT FUND	202 STR	EET MAINTENANCE	137,757		5,509,712	591,790	533,759	1,125,549	_
Planning	204/205	PUBLIC SAFETY/SUPP.LAW	14,627	175,519	175,519	58,506		58,506	33%
Building 64,103 1,129,216 1,205,324 308,773 64,478 373,251 31% PW-Engineering 83,709 1,145,151 1,188,372 328,252 180,774 509,026 43% 206 COMMUNITY DEVELOPMENT FUND 257,691 3,493,561 3,716,702 1,009,993 323,749 1,333,742 36% 207 GENERAL PLAN UPDATE 5,684 154,553 353,205 18,223 80,594 98,817 28% 210 COMMUNITY CENTER 85,665 85,665 -	206 CO								
PW-Engineering 83,709 1,145,151 1,188,372 328,252 180,774 509,026 43% 206 COMMUNITY DEVELOPMENT FUND 257,691 3,493,561 3,716,702 1,009,993 323,749 1,333,742 36% 207 GENERAL PLAN UPDATE 5,684 15,655 85,665		Planning	109,879	1,219,194		372,968	-, -	451,465	
206 COMMUNITY DEVELOPMENT FUND 257,691 3,493,561 3,716,702 1,009,993 323,749 1,333,742 36% 207 GENERAL PLAN UPDATE 5,684 154,553 353,205 18,223 80,594 98,817 28% 210 COMMUNITY CENTER 85,665 85,665 85,665 85,665 222,845 225 ASSET SEIZURE		3							
207 GENERAL PLAN UPDATE 5,684 154,553 353,205 18,223 80,594 98,817 28% 210 COMMUNITY CENTER 85,665 85,665 0 n/a 215/216 CDBG 49,767 506,714 633,529 56,664 232,998 289,662 46% 225 ASSET SEIZURE 300 300 n/a 229 LIGHTING AND LANDSCAPE 16,154 118,248 136,103 52,441 59,505 111,946 82% 232 ENVIRONMENT PROGRAMS 55,805 402,505 447,055 114,017 108,825 222,842 50% 234 MOBILE HOME PARK 123 4,832 244 284 284 284 66% 235 SENICR HOUSING TRUST FUND 80,700 80,700 13,100 15,000 17,000 11,315,000 13,000 15,000 15,000 15,000 15,000 15,000 15,000 15,000 16% 247 ENVIRONMENT REMEDIATION FUND 5,680 152,500 152,500 5,680 5,680 4% TOTAL SPECIAL REVENUE FUNDS 545,288 11,916,114 12,668,022 1,917,098 1,367,530 3,284,628 26% CAPITAL PROJECT FUNDS  301 PARK DEVELOPMENT 15,440 2,388,940 2,514,136 42,769 146,544 189,313 8% 302 PARK MAINTENANCE 32,083 185,000 185,312 34,583 312 34,895 19% 303 LOCAL DRAIN. NON-AB1600 14,277 1,141,667 1,181,667 53,413 10,501 10,511 1% 10,511 1% 304 LOCAL DRAIN. NON-AB1600 14,277 1,141,667 1,181,667 53,413 10,500 63,913 5% 309 TRAFFIC MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 494 250,887 260,887 174,126 10,000 18		· ·							_
210         COMMUNITY CENTER         85,665         85,665         85,665         - n/a           215/216         CDBG         49,767         506,714         633,529         56,664         232,998         289,662         46%           225         ASSET SEIZURE         300         300         n/a         300         n/a           229         LIGHTING AND LANDSCAPE         16,154         118,248         136,103         52,441         59,505         111,946         82%           234         MOBILE HOME PARK         123         4,832         4,832         4,832         2,84         284         6%           235         SENIOR HOUSING TRUST FUND         80,700         80,700         15,000         15,000         15,000         15,000         16%           240         EMPLOYEE ASSISTANCE         2,000         57,500         57,500         9,200         - 9,200         - 9,200         16%           247         ENVIRONMENT REMEDIATION FUI         5,680         152,500         152,500         5,680         - 5,680         4%           CAPITAL PROJECT FUNDS           301         PARK DEVELOPMENT         15,440         2,388,940         2,514,136         42,769         146,544	206 CO	MMUNITY DEVELOPMENT FUND	257,691	3,493,561	3,716,702	1,009,993	323,749	1,333,742	36%
215/216   CDBG			5,684	-	-	18,223	80,594	98,817	
225 ASSET SEIZURE 229 LIGHTING AND LANDSCAPE 16,154 118,248 136,103 52,441 59,505 111,946 82% 232 ENVIRONMENT PROGRAMS 55,805 402,505 447,055 114,017 108,825 222,842 50% 234 MOBILE HOME PARK 123 4,832 4,832 284 13,100 13,100 13,100 16% 235 SENIOR HOUSING TRUST FUND 80,700 80,700 13,100 15,000 15,000 15% 236 HOUSING MITIGATION FUND 1,315,000 1,315,000 15,000 15% 240 EMPLOYEE ASSISTANCE 2,000 57,500 57,500 9,200 - 9,200 16% 247 ENVIRONMENT REMEDIATION FUIL 5,680 152,500 152,500 5,680 - 5,680 4%  TOTAL SPECIAL REVENUE FUNDS  301 PARK DEVELOPMENT 15,440 2,388,940 2,514,136 42,769 146,544 189,313 8% 302 PARK MAINTENANCE 32,083 185,000 185,312 34,583 312 34,895 19% 303 LOCAL DRAINAGE 10,128 1,901,534 1,911,534 10,511 11,511 11% 304 LOCAL DRAINAGE 10,128 1,901,534 1,911,534 10,511 11,511 11% 305 OPEN SPACE 1,573 1,573 309 TRAFFIC MITIGATION 62,626 1,137,000 1,907,866 155,390 839,750 995,140 52% 311 POLICE MITIGATION 494 250,887 260,887 174,126 110,000 184,126 71% 311 POLICE MITIGATION 494 250,887 260,887 174,126 110,000 184,126 71% 317 RAP BUSINESS ASSISTANCE 1,555,148 28,279,211 34,179,739 4,991,608 16,512,587 21,504,195 63% 327/328 RDA HOUSING STANCE 1,555,148 28,279,211 34,179,739 4,991,608 16,512,587 21,504,195 63% 340 LIGHT RAP BUSINESS ASSISTANCE 1,555,148 28,279,211 34,179,739 4,991,608 16,512,587 21,504,195 63% 340 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 348 LIBRARY IMPACT 17 202 202 67 67 67 33% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 360 COMM/REC CTR IMPACT 17 202 202 67 67 67 33% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6%			40.707	-		FC CC4	222.000	-	
229   LIGHTING AND LANDSCAPE   16,154   118,248   136,103   52,441   59,505   111,946   82%			49,767	506,714	633,529	-	232,998	•	
232   ENVIRONMENT PROGRAMS   55,805   402,505   447,055   114,017   108,825   222,842   50%   234   MOBILE HOME PARK   123   4,832   4,832   284   31,100   13,100   13,100   16%   236   ENDIRO HOUSING TRUST FUND   1,315,000   1,315,000   15,000   15,000   15,000   16%   240   EMPLOYEE ASSISTANCE   2,000   57,500   57,500   9,200   - 9,200   16%   247   ENVIRONMENT REMEDIATION FUID   5,680   152,500   152,500   5,680   - 5,680   4%   247   ENVIRONMENT REMEDIATION FUID   5,680   152,500   152,500   5,680   - 5,680   4%   247   ENVIRONMENT REMEDIATION FUID   5,680   152,500   152,500   5,680   - 5,680   4%   26%   247   ENVIRONMENT REMEDIATION FUID   5,680   152,500   152,500   5,680   - 5,680   4%   26%			16 151	110 240	126 102		E0 E0E		
234         MOBILE HOME PARK         123         4,832         4,832         284         284         6%           235         SENIOR HOUSING TRUST FUND         80,700         80,700         13,100         13,100         16%           236         HOUSING MITIGATION FUND         1,315,000         1,315,000         15,000         15,000         15,000         15,000         16%           240         EMPLOYEE ASSISTANCE         2,000         57,500         57,500         9,200         -         9,200         16%           247         ENVIRONMENT REMEDIATION FUI         5,680         152,500         152,500         5,680         -         5,680         4%           TOTAL SPECIAL REVENUE FUNDS         545,288         11,916,114         12,668,022         1,917,098         1,367,530         3,284,628         26%           CAPITAL PROJECT FUNDS           301         PARK DEVELOPMENT         15,440         2,388,940         2,514,136         42,769         146,544         189,313         8%           302         PARK MAINTENANCE         32,083         185,000         185,312         34,583         312         34,895         19%           303         LOCAL DRAIN. NON-AB1600         14,2				-	-	-	-	-	
235 SENIOR HOUSING TRUST FUND 236 HOUSING MITIGATION FUND 1,315,000 1,315,000 15,000 15,000 15,000 15,000 15,000 15,000 16% 247 ENVIRONMENT REMEDIATION FUI 5,680 152,500 152,			-	-	-	-	100,023	•	
236 HOUSING MITIGATION FUND 240 EMPLOYEE ASSISTANCE 2,000 57,500 57,500 9,200 - 9,200 16% 247 ENVIRONMENT REMEDIATION FUI 5,680 152,500 152,500 5,680 - 5,680 4%  TOTAL SPECIAL REVENUE FUNDS  301 PARK DEVELOPMENT 15,440 2,388,940 2,514,136 42,769 146,544 189,313 8% 302 PARK MAINTENANCE 32,083 185,000 185,312 34,583 312 34,895 19% 303 LOCAL DRAINAGE 10,128 1,901,534 1,911,534 10,511 10,511 1% 304 LOCAL DRAIN. NON-AB1600 14,277 1,141,667 1,181,667 53,413 10,500 63,913 5% 309 TRAFFIC MITIGATION 62,626 1,137,000 1,907,866 155,390 839,750 995,140 52% 311 POLICE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 115 526,378 526,378 459 459 0% 327/328 RDA HOUSING 124,844 10,191,842 10,209,748 1,636,712 393,090 2,029,802 20% 340/342 MH BUS RANCH CIP - 1/8 348 LIBRARY IMPACT 17 202 202 67 67 33% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 360 COMM/REC CTR IMPACT 180,000 180,000 - 1/8			123	-	•	204	13 100		
240         EMPLOYEE ASSISTANCE         2,000         57,500         57,500         9,200         -         9,200         16%           247         ENVIRONMENT REMEDIATION FUI         5,680         152,500         5,680         -         5,680         4%           TOTAL SPECIAL REVENUE FUNDS           S45,288         11,916,114         12,668,022         1,917,098         1,367,530         3,284,628         26%           CAPITAL PROJECT FUNDS           301         PARK DEVELOPMENT         15,440         2,388,940         2,514,136         42,769         146,544         189,313         8%           302         PARK MAINTENANCE         32,083         185,000         185,312         34,583         312         34,895         19%           303         LOCAL DRAINAGE         10,128         1,901,534         1,911,534         10,511         10,511         1%           304         LOCAL DRAIN. NON-AB1600         14,277         1,141,667         1,181,667         53,413         10,500         63,913         5%           309         TRAFFIC MITIGATION         62,626         1,137,000         1,907,866         155,390         839,750         995,140         52%				· ·	-		-	-	
247 ENVIRONMENT REMEDIATION FUI 5,680 152,500 152,500 5,680 - 5,680 4%  TOTAL SPECIAL REVENUE FUNDS 545,288 11,916,114 12,668,022 1,917,098 1,367,530 3,284,628 26%  CAPITAL PROJECT FUNDS  301 PARK DEVELOPMENT 15,440 2,388,940 2,514,136 42,769 146,544 189,313 8% 302 PARK MAINTENANCE 32,083 185,000 185,312 34,583 312 34,895 19% 303 LOCAL DRAINAGE 10,128 1,901,534 1,911,534 10,511 10,511 1% 304 LOCAL DRAIN. NON-AB1600 14,277 1,141,667 1,181,667 53,413 10,500 63,913 5% 306 OPEN SPACE 1,573 1,573 309 TRAFFIC MITIGATION 62,626 1,137,000 1,907,866 155,390 839,750 995,140 52% 311 POLICE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 115 526,378 526,378 459 459 0% 317 RDA BUSINESS ASSISTANCE 1,555,148 28,279,211 34,179,739 4,991,608 16,512,587 21,504,195 63% 327/328 RDA HOUSING 124,844 10,191,842 10,209,748 1,636,712 393,090 2,029,802 20% 3446 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 347 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 348 LIBRARY IMPACT 17 202 202 67 67 67 33% 348 LIBRARY IMPACT 17 202 202 67 67 67 33% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 360 COMM/REC CTR IMPACT 180,000 180,000			2 000			9 200	10,000	-	
CAPITAL PROJECT FUNDS   301   PARK DEVELOPMENT   15,440   2,388,940   2,514,136   42,769   146,544   189,313   8%   302   PARK MAINTENANCE   32,083   185,000   185,312   34,583   312   34,895   19%   303   LOCAL DRAINAGE   10,128   1,901,534   1,911,534   10,511   10,511   1%   304   LOCAL DRAIN. NON-AB1600   14,277   1,141,667   1,181,667   53,413   10,500   63,913   5%   306   OPEN SPACE   1,573   1,573   1,573   309   TRAFFIC MITIGATION   62,626   1,137,000   1,907,866   155,390   839,750   995,140   52%   311   POLICE MITIGATION   494   250,887   260,887   174,126   10,000   184,126   71%   313   FIRE MITIGATION   115   526,378   526,378   459   459   0%   317   RDA BUSINESS ASSISTANCE   1,555,148   28,279,211   34,179,739   4,991,608   16,512,587   21,504,195   63%   340/342   MH BUS RANCH CIP   7   74   74   74   74   74   74   74			-	-	-	-	-	-	
301 PARK DEVELOPMENT 15,440 2,388,940 2,514,136 42,769 146,544 189,313 8% 302 PARK MAINTENANCE 32,083 185,000 185,312 34,583 312 34,895 19% 303 LOCAL DRAINAGE 10,128 1,901,534 1,911,534 10,511 10,511 1% 304 LOCAL DRAIN. NON-AB1600 14,277 1,141,667 1,181,667 53,413 10,500 63,913 5% 306 OPEN SPACE 1,573 1,573 1,573 1,573 309 TRAFFIC MITIGATION 62,626 1,137,000 1,907,866 155,390 839,750 995,140 52% 311 POLICE MITIGATION 494 250,887 260,887 174,126 10,000 184,126 71% 313 FIRE MITIGATION 115 526,378 526,378 459 459 0% 317 RDA BUSINESS ASSISTANCE 1,555,148 28,279,211 34,179,739 4,991,608 16,512,587 21,504,195 63% 327/328 RDA HOUSING 124,844 10,191,842 10,209,748 1,636,712 393,090 2,029,802 20% 340/342 MH BUS RANCH CIP - n/a 346 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 347 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 347 PUBLIC FAC.NON AB1600 141,982 90,000 581,149 46,694 432,083 478,777 82% 348 LIBRARY IMPACT 17 202 202 67 67 67 33% 348 LIBRARY IMPACT 17 202 202 67 67 67 33% 350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 360 COMM/REC CTR IMPACT 180,000 180,000 - n/a	TOTAL	SPECIAL REVENUE FUNDS	545,288	11,916,114	12,668,022	1,917,098	1,367,530	3,284,628	26%
302         PARK MAINTENANCE         32,083         185,000         185,312         34,583         312         34,895         19%           303         LOCAL DRAINAGE         10,128         1,901,534         1,911,534         10,511         10,511         1%           304         LOCAL DRAIN. NON-AB1600         14,277         1,141,667         1,181,667         53,413         10,500         63,913         5%           306         OPEN SPACE         1,573         1,573         1,573         1,573         1,573         1,573         1,573         1,573         309         TRAFFIC MITIGATION         62,626         1,137,000         1,907,866         155,390         839,750         995,140         52%         311         POLICE MITIGATION         494         250,887         260,887         174,126         10,000         184,126         71%         313         FIRE MITIGATION         115         526,378         526,378         459         459         0%         317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%         327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,8	CAPITA	L PROJECT FUNDS							
302         PARK MAINTENANCE         32,083         185,000         185,312         34,583         312         34,895         19%           303         LOCAL DRAINAGE         10,128         1,901,534         1,911,534         10,511         10,511         1%           304         LOCAL DRAIN. NON-AB1600         14,277         1,141,667         1,181,667         53,413         10,500         63,913         5%           306         OPEN SPACE         1,573         1,573         1,573         1,573         1,573         1,573         1,573         1,573         309         TRAFFIC MITIGATION         62,626         1,137,000         1,907,866         155,390         839,750         995,140         52%         311         POLICE MITIGATION         494         250,887         260,887         174,126         10,000         184,126         71%         313         FIRE MITIGATION         115         526,378         526,378         459         459         0%         317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%         327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,8	301	PARK DEVELOPMENT	15.440	2.388.940	2,514.136	42.769	146.544	189.313	8%
303         LOCAL DRAINAGE         10,128         1,901,534         1,911,534         10,511         10,511         1%           304         LOCAL DRAIN. NON-AB1600         14,277         1,141,667         1,181,667         53,413         10,500         63,913         5%           306         OPEN SPACE         1,573         1,573         1,573         1,573           309         TRAFFIC MITIGATION         62,626         1,137,000         1,907,866         155,390         839,750         995,140         52%           311         POLICE MITIGATION         494         250,887         260,887         174,126         10,000         184,126         71%           313         FIRE MITIGATION         115         526,378         526,378         459         459         0%           317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%           327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         -         -         n/a           347         PUBLIC FACILITIES							-		
304         LOCAL DRAIN. NON-AB1600         14,277         1,141,667         1,181,667         53,413         10,500         63,913         5%           306         OPEN SPACE         1,573         1,574         1,583         1,51,510         1,526         395,140         52%         395,140         52%         314         1,51,510         1,51,512         1,51,512         1,51,512         1,504,195         63%         32,732         393,0				-	•			-	
306         OPEN SPACE         1,573         1,573           309         TRAFFIC MITIGATION         62,626         1,137,000         1,907,866         155,390         839,750         995,140         52%           311         POLICE MITIGATION         494         250,887         260,887         174,126         10,000         184,126         71%           313         FIRE MITIGATION         115         526,378         526,378         459         459         0%           317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%           327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         -         n/a           346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         <			-				10,500		
311         POLICE MITIGATION         494         250,887         260,887         174,126         10,000         184,126         71%           313         FIRE MITIGATION         115         526,378         526,378         459         459         0%           317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%           327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         -         n/a           346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         202         67         67         33%           350         UNDERGROUNDING         32         1,200,389         1,293,232         9,941         73,134         83,075         6%           360         CO	306	OPEN SPACE	-						
313         FIRE MITIGATION         115         526,378         526,378         459         459         0%           317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%           327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         -         n/a           346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         202         67         67         33%           350         UNDERGROUNDING         32         1,200,389         1,293,232         9,941         73,134         83,075         6%           360         COMM/REC CTR IMPACT         180,000         180,000         180,000         -         n/a	309	TRAFFIC MITIGATION	62,626	1,137,000	1,907,866	155,390	839,750	995,140	52%
317         RDA BUSINESS ASSISTANCE         1,555,148         28,279,211         34,179,739         4,991,608         16,512,587         21,504,195         63%           327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         - n/a           346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         202         67         67         33%           350         UNDERGROUNDING         32         1,200,389         1,293,232         9,941         73,134         83,075         6%           360         COMM/REC CTR IMPACT         180,000         180,000         180,000         - n/a		POLICE MITIGATION	494	250,887	260,887	174,126	10,000	184,126	
327/328         RDA HOUSING         124,844         10,191,842         10,209,748         1,636,712         393,090         2,029,802         20%           340/342         MH BUS RANCH CIP         -         n/a           346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         202         67         67         33%           350         UNDERGROUNDING         32         1,200,389         1,293,232         9,941         73,134         83,075         6%           360         COMM/REC CTR IMPACT         180,000         180,000         -         n/a									
340/342       MH BUS RANCH CIP       - n/a         346       PUBLIC FAC.NON AB1600       141,982       90,000       581,149       46,694       432,083       478,777       82%         347       PUBLIC FACILITIES       114       1,363       71,363       454       68,973       69,427       97%         348       LIBRARY IMPACT       17       202       202       67       67       33%         350       UNDERGROUNDING       32       1,200,389       1,293,232       9,941       73,134       83,075       6%         360       COMM/REC CTR IMPACT       180,000       180,000       - n/a       - n/a									
346         PUBLIC FAC.NON AB1600         141,982         90,000         581,149         46,694         432,083         478,777         82%           347         PUBLIC FACILITIES         114         1,363         71,363         454         68,973         69,427         97%           348         LIBRARY IMPACT         17         202         202         67         67         33%           350         UNDERGROUNDING         32         1,200,389         1,293,232         9,941         73,134         83,075         6%           360         COMM/REC CTR IMPACT         180,000         180,000         -         n/a			124,844	10,191,842	10,209,748	1,636,712	393,090	2,029,802	
347     PUBLIC FACILITIES     114     1,363     71,363     454     68,973     69,427     97%       348     LIBRARY IMPACT     17     202     202     67     67     33%       350     UNDERGROUNDING     32     1,200,389     1,293,232     9,941     73,134     83,075     6%       360     COMM/REC CTR IMPACT     180,000     180,000     -     n/a			444 000	00 000	E04 440	40.004	400.000	470 777	
348       LIBRARY IMPACT       17       202       202       67       67       33%         350       UNDERGROUNDING       32       1,200,389       1,293,232       9,941       73,134       83,075       6%         360       COMM/REC CTR IMPACT       180,000       180,000       -       n/a			•	-	•		•	-	
350 UNDERGROUNDING 32 1,200,389 1,293,232 9,941 73,134 83,075 6% 360 COMM/REC CTR IMPACT 180,000 180,000 - n/a							00,973	-	
360 COMM/REC CTR IMPACT 180,000 180,000 - n/a							72 124		
TOTAL CAPITAL PROJECTS FUNDS 1,957,300 47,474,413 55,003,213 7,158,300 18,486,973 25,645,273 47%			32			9,941	13,134	03,075	
	TOTAL	CAPITAL PROJECTS FUNDS	1,957,300	47,474,413	55,003,213	7,158,300	18,486,973	25,645,273	47%



FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT C TOTAL TO BUDGET
DEBT SI	ERVICE FUNDS							
441	POLICE FACILITY BOND DEBT		483,763	483,763	328,157	-	328,157	68%
545	COCHRANE BUS. PARK A.D.	561	194,625	194,625	152,708	-	152,708	78%
551	JOLEEN WAY A.D.	561	36,487	36,487	27,549	-	27,549	76%
TOTAL I	DEBT SERVICE FUNDS	1,122	714,875	714,875	508,414		508,414	71%
		.,	,	111,010	333,111		333,111	1170
ENTERP	PRISE FUNDS							
SEWER								
640	SEWER OPERATION	436,716	6,786,507	6,843,978	2,940,797	57,974	2,998,771	44%
641	CAPITAL EXPANSION	118,037	2,796,988	3,413,501	553,856	200,411	754,267	22%
642	SEWER RATE STABILIZATION	176	2,114	2,114	705		705	33%
643	SEWER-CAPITAL PROJECTS	33,788	352,535	1,002,331	218,339	355,823	574,162	<u>57</u> %
TOTAL	SEWER FUND(S)	588,717	9,938,144	11,261,924	3,713,697	614,208	4,327,905	38%
WATER								
•	Water Operations Division	548,828	7,151,323	7,518,128	1,952,325	354,015	2,306,340	31%
	Meter Reading/Repair	61,323	761,846	781,457	188,472	279,351	467,823	60%
	Utility Billing	30,470	460,975	460,975	140,281	20,406	160,687	35%
	Water Conservation	3,876	124,708	124,708	17,276	50,000	67,276	54%
650	WATER OPERATIONS	644,497	8,498,852	8,885,268	2,298,354	703,772	3,002,126	34%
651	CAPITAL EXPANSION	161,509	1,786,014	2,154,644	270,356	322,710	593,066	28%
652	WATER RATE STABILIZATION	41	492	492	164	,-	164	33%
653	WATER-CAPITAL PROJECTS	142,652	886,260	2,310,304	581,280	994,537	1,575,817	68%
TOTAL \	WATER FUND(S)	948,699	11,171,618	13,350,708	3,150,154	2,021,019	5,171,173	39%
TOTAL I	ENTERPRISE FUNDS	1,537,416	21,109,762	24,612,632	6,863,851	2,635,227	9,499,078	39%
INTERN	AL SERVICE FUNDS							
730	INFORMATION SERVICES	9,800	254,203	345,465	54,185	223,743	277,928	80%
740	BUILDING MAINTENANCE	102,138	1,366,261	1,383,291	391,737	48,100	439,837	32%
745	CIP ENGINEERING	100,547	1,379,348	1,398,173	403,901	60,134	464,035	33%
760	UNEMPLOYMENT		55,000	55,000			-	n/a
770	WORKERS COMPENSATION	16,284	770,075	770,075	209,157		209,157	27%
790	EQUIPMENT REPLACEMENT	214	469,827	483,345	988	121,103	122,091	25%
793 795	CORP YARD COMMISSION GEN. LIABILITY INSURANCE	5,437	159,100 480,800	159,100 487,751	23,027 292,565	74,337 9,807	97,364 302,372	61% 62%
		234.420				·		
IOIALI	NTERNAL SERVICE FUNDS	234,420	4,934,614	5,082,200	1,375,560	537,224	1,912,784	38%
AGENC	Y FUNDS							
841	MORGAN HILL BUS RANCH I		-	-		-	-	n/a
842	MORGAN HILL BUS RANCH II		-	-		-	-	n/a
343	MORGAN HILL BUS RANCH 98	2,681	867,265	867,265	597,548		597,548	69%
B44	MH RANCH RSMNT 2004A	701	595,583	595,583	529,600	-	529,600	89%
845	MADRONE BP-TAX EXEMPT	561	443,763	443,763	262,908	-	262,908	59%
346	MADRONE BP-TAXABLE	561	86,939	86,939	43,518	-	43,518	50%
348	TENNANT AVE BUS PARK AD	561	6,727	6,727	2,242	-	2,242	33%
381	POLICE DONATION TRUST		-	-		-	-	n/a
TOTAL A	AGENCY FUNDS	5,065	2,000,277	2,000,277	1,435,816	-	1,435,816	72%
REPORT	T TOTAL	5,763,708	108,182,296	120,168,488	26,086,711	23,527,827	49,614,538	41%



City of Morgan Hill Enterprise Funds Report - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Completed

#### YTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

	Sewer Operations					Water Operations				
			% of	Prior			% of	Prior		
	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD		
Operations										
Revenues										
Service Charges Meter Install & Service	\$ 5,600,535	\$ 1,842,046	33%	\$ 1,811,990	\$ 6,229,900 70,000	\$ 3,328,782 37,122	53% 53%	\$ 3,090,423 45,940		
Other	142,600	34,519	24%	73,401	(1,165,146)	461,339	-40%	330,532		
Total Operating Revenues	5,743,135	1,876,565	33%	1,885,391	5,134,754	3,827,243	75%	3,466,895		
Expenses										
Operations Meter Reading/Repair Utility Billing/Water Conservation	4,682,409	1,502,428	32%	1,450,790	4,750,307 637,156 399,783	1,785,658 188,472 157,557	38% 30% 39%	1,746,242 144,073 148,234		
Total Operating Expenses	4,682,409	1,502,428	32%	1,450,790	5,787,246	2,131,687	37%	2,038,549		
Operating Income (Loss)	1,060,726	374,137		434,601	(652,492)	1,695,556		1,428,346		
Nonoperating revenue (expense)										
Interest Income Interest Expense/Debt Services Principal Expense/Debt Services	191,414 (573,410) (975,000)	58,196 (282,806) (995,000)	30% 49% 102%	13,806 (289,490) (975,000)	16,848 (243,249) (310,296)	36,688	218%	4,040		
Total Nonoperating revenue (expense)	(1,356,996)	(1,219,610)		(1,250,684)	(536,697)	36,688		4,040		
Income before operating xfers	(296,270)	(845,473)		(816,083)	(1,189,189)	1,732,244		1,432,386		
Operating transfers in Operating transfers (out)	- (220,000)	(160,563)	73%	- (73,333)	2,500,000 (420,000)	76,829 (166,667)	3% 40%	(140,000)		
Net Income (Loss)	\$ (516,270)	\$ (1,006,036)		\$ (889,416)	\$ 890,811	\$ 1,642,406		\$ 1,292,386		



#### City of Morgan Hill Balance Sheets - Water and Sewer Funds For the Month of October 2005 33% of Year Completed

	Sewer Operations (640)	Sewer Expansion Stabilization Capital Projects (641-643)	Water Operations (650)	Water Expansion Stabilization Capital Projects (651-653)
ASSETS				
Cash and investments:				
Unrestricted	1,313,398	6,352,587	4,416,113	2,941,023
Restricted <sup>1</sup>	1,894,979	7,001,187	414,974	4,119,092
Accounts Receivable		8,457		588
Utility Receivables	815,901	,	1,476,929	
Less Allowance for Doubtful Accounts	(13,655)		(18,127)	
Notes Receivable <sup>2</sup>		8,682	0	
Fixed Assets <sup>3</sup>	29,628,818	12,497,964	23,851,712	12,694,522
Total Assets	33,639,441	25,868,876	30,141,601	19,755,225
LIABILITIES				
Accounts Payable and Accrued Liabilities	268,964	108,073	74,939	420,030
Deposits for Water Services & Other Deposits	200,001	100,070	53,419	120,000
Deferred Revenue <sup>4</sup>				
Bonds Payable	23,300,000		5,568,631	7,740,000
Discount on Bonds and Other Liabilities	(2,425,887)		(913,413)	(344,863)
Accrued Vacation and Comp Time	49,020		97,480	
Total liabilities	21,192,097	108,073	4,881,056	7,815,167
FUND EQUITY				
Contributed Capital Retained Earnings	7,443,305		14,356,292	
Reserved for:				
Noncurrent water/sewer assets & debt	8,705,685	12,497,964	19,099,014	5,299,385
Encumbrances	57,974	556,234	703,772	1,317,247
Notes Receivable		8,682		
Restricted Cash	1,894,979		414,974	4,119,092
Total Reserved Retained Earnings	10,658,638	13,062,880	20,217,760	10,735,724
Unreserved Retained Earnings	1,788,706	12,697,923	5,042,785	1,204,334
Total Fund Equity	12,447,344	25,760,803	25,260,545	11,940,058
Total Liabilities and Fund Equity	33,639,441	25,868,876	30,141,601	19,755,225

Restricted for Bond Reserve requirements and capital expansion.
 Includes Note for Sewer Financing Agreements.
 Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.

<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.



City of Morgan Hill Balance Sheets for Major Funds - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Completed

RDA L/M Housing

Sewer

Water

	(Fund 010)	(Fund 317)	(Fund 327/328)	(Fund 640)	(Fund 650)
ASSETS	(i dilla d'io)	(Full of Fry	(1 0.1101 0_170_0)	(i unia e ie)	(i unia ece)
Cash and investments:					
Unrestricted	7,570,444	8,629,384	5,688,238	1,313,398	4,416,113
Restricted <sup>1</sup>	7,472	5,020,001	5,555,255	1,894,979	414,974
Accounts Receivable	699,682	27,703		1,00 1,01 0	,
Utility Receivables (Sewer and Water)				815,901	1,476,929
Less Allowance for Doubtful Accounts				(13,655)	(18,127)
Loans and Notes Receivable 2	418,605	4,289,788	31,508,214		
Prepaid Expense Fixed Assets <sup>3</sup>	3,279	74.040	040.000	00 000 040	00 054 740
Fixed Assets		71,049	210,000	29,628,818	23,851,712
Total Assets	8,699,482	13,017,924	37,406,452	33,639,441	30,141,601
LIABILITIES					
Assessments Develope and Assessed Linkships	227 040	20.045	22.04.4	200 004	74.020
Accounts Payable and Accrued Liabilities Deposits for Water Services & Other Deposits	327,919 19,855	30,815	23,814	268,964	74,939 53,419
Deferred Revenue 4	430,518	4,301,313	31,717,787		33,413
Bonds Payable	100,010	1,001,010	01,111,101	23,300,000	5,568,631
Discount on Bonds and Other Liabilities				(2,425,887)	(913,413)
Accrued Vacation and Comp Time				49,020	97,480
Total liabilities	778,292	4,332,128	31,741,601	21,192,097	4,881,056
FUND EQUITY					
Contributed Capital				7,443,305	14,356,292
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				8,705,685	19,099,014
Encumbrances	500,873	16,512,587	393,090	57,974	703,772
Restricted Cash				1,894,979	414,974
RDA properties held for resale Loans and Notes Receivable		71,049	210,000		
Total Reserved Fund Equity	500,873	16,583,636	603,090	10,658,638	20,217,760
Designated Fund Equity <sup>5</sup>	4,109,213				
Unreserved/Undesignated Fund Equity	3,311,104	(7,897,840)	5,061,761	1,788,706	5,042,785
Total Fund Equity	7,921,190	8,685,796	5,664,851	12,447,344	25,260,545
<b>Total Liabilities and Fund Equity</b>	8,699,482	13,017,924	37,406,452	33,639,441	30,141,601

General Fund

<sup>&</sup>lt;sup>1</sup> Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

<sup>&</sup>lt;sup>2</sup> Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>3</sup> Includes Water and Sewer infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

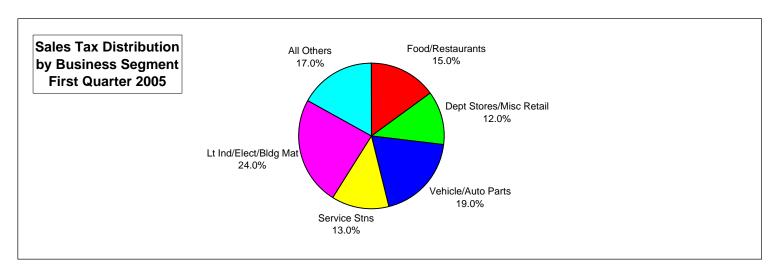
<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.

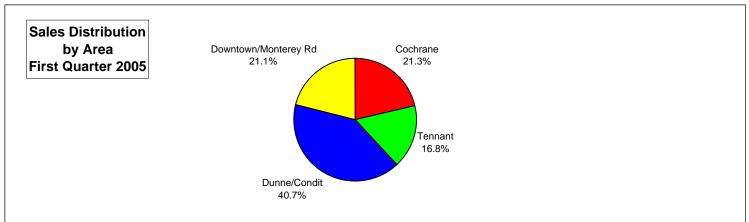
<sup>&</sup>lt;sup>5</sup> Designated as a general reserve.



City of Morgan Hill
Sales Tax Comparison - Fiscal Year 2005/06
For the Month of October 2005
33% of Year Completed

	Amount Collecte	d for Month f	or Fiscal Year	Amount Collected YTD for Fiscal Year		Comparison of YTD for fiscal years		
Month	05/06	04/05	03/04	05/06	04/05	03/04	05/06 to 04/05	05/06 to 03/04
	-		-	-	-		•	_
July	\$271,100	\$307,500	\$338,300	\$271,100	\$307,500	\$338,300	(36,400)	(67,200)
August	\$350,025	\$401,200	\$451,000	\$621,125	\$708,700	\$789,300	(87,575)	(168,175)
September	\$481,504	\$518,724	\$232,994	\$1,102,629	\$1,227,424	\$1,022,294	(124,795)	80,335
October	\$266,200	\$223,145	\$316,100	\$1,368,829	\$1,450,569	\$1,338,394	(81,740)	30,435
November		\$299,300	\$421,400		\$1,749,869	\$1,759,794		
December		\$442,460	\$331,624		\$2,192,329	\$2,091,418		
January		\$708,525	\$349,500		\$2,900,854	\$2,440,918		
February		\$297,415	\$428,600		\$3,198,269	\$2,869,518		
March		\$564,262	\$292,930		\$3,762,531	\$3,162,448		
April		\$214,162	\$340,500		\$3,976,693	\$3,502,948		
May		\$769,125	\$385,525		\$4,745,818	\$3,888,473		
June		\$561,606	\$261,782		\$5,307,424	\$4,150,255		
Year To Da	ite Totals			\$1,368,829	\$5,307,424	\$4,150,255		
Sales Tax E	Budget for Year			\$4,095,000	\$4,600,000	\$4,650,000		
Percent of Percent of	Budget increase(decreas	se)		33%	115%	89%	-6%	2%







#### CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 16, 2005

### INDOOR RECREATION CENTER PROJECT – OCTOBER CONSTRUCTION PROGRESS REPORT

**RECOMMENDED ACTION(S):** *Information Only* 

Agenda Item # 2
Prepared By:
Sr. Project Manager
Approved By:
Public Works Director
Submitted By:
City Manager

#### **EXECUTIVE SUMMARY:**

Previous Council action awarded the contract for construction of the Indoor Recreation Center Project to West Coast Contractors, Inc. At that time, staff informed Council that we would report monthly on the progress of the construction. Attached is the progress report for the month of October. This report has been sent to our webmaster for posting on the City's website. Current construction activity can be viewed live on the internet at <a href="https://www.novapartners.com/mhirc">www.novapartners.com/mhirc</a>.

The contractor continues to make good progress on the masonry block wall installation. The gymnasium block wall is 100% complete. The senior wing, locker room and admin area walls are about 80% completed. Masonry block work on the final natatorium area will begin shortly. The parking area and drives have been paved which has essentially "winterized" the site. Barring any unforeseen circumstances, the anticipated Grand Opening is September 5, 2006. The project is currently on schedule and within budget.

FISCAL/RESOURCE IMPACT: None



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 16, 2005

## AWARD OF THE BUTTERFIELD WELL PUMP STATION PROJECT

#### **RECOMMENDED ACTION(S):**

- 1. Award contract to Conco West Inc. for the construction of the Butterfield Well Pump Station Project in the amount of \$525,000.
- 2. Authorize expenditure of construction contingency funds not to exceed \$52,500.

Agenda Item #3

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

**EXECUTIVE SUMMARY:** On July 7, 2004, City Council authorized emergency well drilling. A well with a temporary pump station was constructed at the Butterfield Boulevard and Central Avenue location and is currently in operation.

The scope of work for this project includes constructing a building to protect the Butterfield well pump station. Work includes constructing foundations, block building with removable roof, motor control center, electrical work and associated site work, including landscaping. The exterior of the building has been designed by South Valley Developer's architect to match the design of the houses in the subdivision.

The City Council rejected prior bids based on staff recommendation on July 27 and October 5, 2005, with direction to staff to re-bid the project. The third bid opening was held on November 9, 2005 and the bids received are listed below:

Conco West Inc.	\$525,000
Blocka Construction Inc.	\$597,195
Earthworks Paving	\$630,000
Anderson Pacific	\$659,300

This bid result is 12% higher than the Engineer's estimate of \$460,000. It is also \$229,000 lower than the original July 27, 2005 low bid and \$223,000 lower than the November 9, 2005 low bid. The low bidder has many years of experience in various pump stations work and has previously performed work for the City of Morgan Hill. Staff recommends award of the contract to Conco West Inc. This project is scheduled to begin in December 2005 and be completed by May 2006.

**FISCAL IMPACT:** The total contract cost for this project is \$577,500, which includes a 10% contingency of \$52,500. The project is funded in the 2005-2006 Capital Improvement Program budget, New Well Property/Construction, Project #601000 with the budget of \$940,000.



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 16, 2005

# APPROVAL OF FUNDING AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT TO PREPARE A SEWER ASSESSMENT DISTRICT FEASIBILITY STUDY FOR THE COUNTY PORTION OF HOLIDAY LAKE ESTATES

Agenda Item #4
Prepared By:
Associate Engineer
Approved By:
Public Works Director
Submitted By:
City Manager

#### **RECOMMENDED ACTION(S):**

- 1. Approve funding agreement and authorize the City Manager, subject to review and approval as to form by City Attorney, to execute on behalf of the City of Morgan Hill.
- 2. Approve scope of work for Harris & Associates in the amount of \$38,000 and authorize the City Manager, subject to approval as to form by City Attorney and subject to all parties executing the cost sharing agreement, to execute a professional services agreement for the Holiday Lake Estates Sanitary Sewer Assessment District Feasibility Study.

**EXECUTIVE SUMMARY:** An Interagency Group comprised of the City of Morgan Hill, Local Agency Formation Commission (LAFCO), Santa Clara Valley Water District (SCVWD), and County of Santa Clara are working together to encourage and assist residents of unincorporated Holiday Lake Estates (HLE) in addressing the issue of the increasing number of failing septic systems serving homes in the area. Connecting to the City's sewer system is the most appropriate way to address the increasing number of failing septic systems, facilitate future sewer service requests, and prevent the potential pollution of Anderson Reservoir. The most efficient way to bring City sewer service to the area is for property owners to form and fund a sewer assessment district. A first step in exploring this option would be for a "sewer assessment district feasibility study" to be completed. The study would result in an engineering/infrastructure plan and a financial plan with site-specific information.

The City, County and SCVWD have all agreed to contribute \$15,000 each to this study, as further detailed in the attached draft cost sharing agreement prepared by our City Attorney.

On September 12, 2005, the interagency group staff met with the affected property owners of Holiday Lake Estates. The staff informed the HLE property owners that if there is a strong support by them for the formation of a sewer assessment district for the area, then the Interagency Group is willing to assist the community by funding and completing a "sewer assessment district feasibility study". Harris & Associates submitted a proposal to perform a feasibility study for an amount not to exceed \$38,000.

**FISCAL IMPACT:** The total cost for the feasibility study is \$38,000 at this time, but it is likely extra work that can't be specifically identified at this time will result in expenditure of \$45,000. The City's \$15,000 contribution is available in the 05/06 Sewer Operations budget (Account 640.5900.42231).



## CITY COUNCIL STAFF REPORT MEETING DATE: November 16, 2005

## RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2005 QUARTERLY REPORT #3

#### **RECOMMENDED ACTION(S):**

Accept and File the RDCS Third Quarter Report for 2005

#### **EXECUTIVE SUMMARY:**

Agenda Item # 5

Prepared By:

Planning Technician

Approved By:

Kathy Molloy Previsich
Director of Community
Development

Submitted By:

J. Edward Tewes, City
Manager

In accordance with Section 18.78.150 of the Municipal Code, the Community Development Department is required to review, on a quarterly basis, each proposed development which has received a Residential Development Control System (RDCS) allotment. The purpose of this review is to determine whether satisfactory progress is being made with processing of the appropriate plans with the Community Development Department.

The majority of the residential projects are proceeding according to approved development schedules. The following projects are classified as BEHIND SCHEDULE: Tilton-Glenrock (MP-02-03); Cory-San Pedro Partners (MP-02-07); E. Dunne-Delco (MP-02-06); Barrett-Odisho (MP-02-02); DeWitt-Latala (MMP-03-06); and W. Main-Vierra (MMP-03-09).

Tilton-Glenrock is on tonight's agenda for a Development Agreement Amendment to amend the development schedule. Cory-San Pedro Partners and E. Dunne-Delco will be applying for Development Agreement Amendments to amend their schedules. Barrett-Odisho has submitted for Final Map and is no longer in default. DeWitt-Latala is on the December 14<sup>th</sup> City Council tentative agenda for Development Approval Amendment to amend their development schedule. The appeal period on the court ruling for the W. Main-Vierra project has expired. On November 29<sup>th</sup> the Planning Commission will reallocate the building allotment from this project to a current or next in line project.

During the second quarter monitoring period, RDCS projects have secured 92 additional building permits and completed construction of 37 homes.

By a vote of 7-0, the Commission approved the Quarterly Report by minute action and recommended the same by the Council. A copy of the 3rd Quarterly Report for 2005 and the draft minutes of the October 25, 2005 Planning Commission meeting are attached for the Council's reference.

#### **FISCAL IMPACT:**

Preparation of this report was accomplished with monies from the Community Development Fund.



#### CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 16, 2005

#### MORGAN HILL LIBRARY APPROVAL OF \$29,000 FOR ADDITIONAL DESIGN SERVICES FOR EXTERIOR & INTERIOR SIGNAGE

**RECOMMENDED ACTION(S):** 1) Authorize amendment of contract agreement with Noll & Tam to provide additional services for exterior & interior signage design and coordination for the Library.

# Agenda Item # 6 Prepared By: Sr. Project Manager Approved By: Special Assistant to the City Manager Submitted By: City Manager

#### **EXECUTIVE SUMMARY:**

Noll & Tam Architects has an allowance of \$15,000 within the current contract with the City to provide signage design services for the Library Project. We acknowledged at the outset this was a placeholder amount.

At this point with the scope of the project is fully defined, Noll & Tam is requesting additional funds to provide full signage consulting services for this project. The amount requested in addition to the contract allowance is \$29,000. The signage consulting services includes design, construction documents, bidding and construction administration for the following signage elements:

Exterior Signage – Monument sign design; exterior building and book drop signs; hours of operation and vehicular and pedestrian directional signs; dedication plaque.

Interior Signage – Visitor, administrative and staff-oriented signage as it relates to the entry lobby; directory or orientation display; circulation counter information; room identification signs; call number ranges for stacks and shelves; directional, informational, operational signage; and single door recognition plaques.

Construction Administration – Attend prefabrication conference; review shop drawings and samples; provide punchlist of signage areas.

Staff recommends the allocation of funds as the signage requirements for the library project remain a crucial component to the successful execution of the interior design for the project.

**FISCAL IMPACT:** No additional fiscal impact at this time. There are adequate funds in the allocated soft costs for these additional fees.



## CITY COUNCIL STAFF REPORT MEETING DATE: November 16<sup>th</sup>, 2005

#### AMEND CONTRACT WITH KIDZ LOVE SOCCER

#### **RECOMMENDED ACTION:**

Authorize the City Manager to amend contract with Kidz Love Soccer to increase compensation to \$26,000.00

Agenda Item # 7		
Prepared By:		
(Staff Person)		
Approved By:		
(Department Head)		
Submitted By:		
City Manager		

#### **EXECUTIVE SUMMARY:**

Kidz Love Soccer (KLS) has been doing business with the City of Morgan Hill since 2002, providing soccer classes for children ages 2 to 12 years old.

Due to the amount of people registered for this program the original contract total compensation amount needs to be increased from \$19,999.00 to \$26,000.00 in order to cover the services offered until December 2005.

Kidz Love Soccer is a popular class growing in attendance that is offered through the Recreation and Community Services Division. Many children and families pay a fee to participate.

#### **FISCAL IMPACT:**

Kidz Love Soccer is budgeted in the current fiscal year budget under contract services expenditure account # 010-2115-42231.

There is no fiscal impact because the registration fee collected will pay for the increase in contract service.

No budget adjustment required.

**Submitted for Approval: November 16, 2005** 

#### CITY OF MORGAN HILL JOINT SPECIAL CITY COUNCIL ARCHITECTURAL REVIEW BOARD,

BICYCLE & TRAILS ADVISORY COMMITTEE, LIBRARY CULTURE & ARTS COMMISSION, MOBILE HOME RENT COMMISSION, CORPORATION YARD COMMISSION, PARKS & RECREATION COMMISSION, PLANNING COMMISSION, SENIOR ADVISORY COMMITTEE, YOUTH ADVISORY COMMITTEE MINUTES – NOVEMBER 9, 2005

#### **CALL TO ORDER**

Mayor Kennedy called the special meeting to order at 7:05 p.m.

#### **ROLL CALL ATTENDANCE**

**City Council** 

Present: Council Members Carr, Grzan, Sellers, Tate and Mayor Kennedy

Architectural Review Board Bicycle & Trails Advisory Committee

Present: Fruit, Pyle Present: Clark

Absent: Kennett, Martin Absent: Cheu, Hauge, Hubbell, McCann, Roam

Library, Culture & Arts Commission

Present: Anderson, Cameron, Cook, Dillmann, Macchia

Absent: Gregg

Mobile Home Rent Stabilization Commission Corporation Yard Commission

Present: Dillmann, Edwards Present: Knopf

Absent: Graham, Koehler, Liegl

Park & Recreation Commission

Present: Frederick, Green, Hardt-Mason, Librers, van Keulen

Absent: Bernardini, Hagiperos

**Planning Commission** 

Present: Acevedo, Benich Davenport, Escobar, Koepp-Baker, Mueller

Absent: None

Senior Advisory Committee Youth Advisory Committee

Present: Cram, Gigliotti, Johnston Present: Tirza Banuelos, Del Carlo, Patel, Soult, Lucarelli Absent: Fent, Riley, Subocz Absent: Isela Banuelos, Corbin, Hosseini, Hui, Rahim

#### **DECLARATION OF POSTING OF AGENDA**

City Clerk Torrez certified that the special meeting agenda was duly noticed and posted in accordance with Government Code 54954.2.

#### **SILENT INVOCATION**

City of Morgan Hill Special Joint City Council, Board, Commission and Committee Meeting Minutes – November 9, 2005 Page - 2 -

#### PLEDGE OF ALLEGIANCE

#### **PUBLIC COMMENT**

Bert Berson informed the Council that his dog and he were attacked by pit bulls and that his dog required surgery. He indicated that one of the pit bulls was shot by a police officer and the other was destroyed. He stated that this has been the third violation of pit bull attacks in three months near the El Toro Elementary School. He said that the pit bulls showed no aggression at first, and then attacked without warning. He presented the City Council with a packet of information containing prepared comments/notes of what he believes work and does not work on the control of pit bulls and other dangerous animals in the City of Morgan Hill. The packet of information also included a recent San Francisco Chronicle article regarding legislation concerning pit bulls and other dangerous animals, and a portion of the City of Denver's animal control ordinance as it relates to pit bulls.

Council Member Carr indicated that he and Mayor Pro Tempore Tate serve on the Public Safety and Community Services Committee. He has asked that staff agendize the topic of pit bulls and other dangerous animals for Committee discussion at the upcoming November 16 meeting.

Jack Dilles, Finance Director, indicated that the City is embarking on a "Community Conversation." He invited board, committee, and commission members to assist the City of Morgan Hill with the Community Conversation. He said that the Community Conversation will ask citizens what services the community desires and how these services should be paid for. It is the Council's goal to receive input, from a broad range of community members, on the types of municipal services citizens want for children and the community. He felt that it would be appropriate for the groups in attendance this evening to participate in the Community Conversation – as leaders. He requested that he be contacted should there be questions about the Community Conversation process.

No further comments were offered.

#### **WORKSHOP**

#### 1. ETHICS TRAINING WORKSHOP

Mayor Kennedy stated that the Council and staff have been working on a process for an ethics policy that is value-based versus a rule-based policy over the past 18-months. He explained the process that lead to the policy currently in place and felt that it is a good policy. He addressed the following core values: honesty, respect, responsibility, fairness and loyalty.

Mayor Pro Tempore Tate said that he is happy and proud to be here this evening to discuss the adopted Ethics Policy after a two-year process. He stated that by no means is the policy complete. He indicated that the policy will be revisited, from time to time, and amended

City of Morgan Hill Special Joint City Council, Board, Commission and Committee Meeting Minutes – November 9, 2005 Page - 3 -

accordingly. The ethics policy contains core values that were derived by ethics committee consensus, and includes examples. He stated that the ethics policy needs to be a focus for everyone representing the City. He facilitated a discussion on the value-based ethics policy and related examples presented by board and commission members in attendance. He indicated that the City will remind everyone of the ethics policy, on a yearly basis.

Everyone in attendance symbolically signed the ethics policy that will be hung commemorating this historic event.

#### **ADJOURNMENT**

There being no further business, Mayor Kennedy adjourned the special meeting at 8:45 p.m.

MINUTES RECORDED AND PRE	PARED BY:
IRMA TORREZ, CITY CLERK	



# REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: November 16, 2005

#### OCTOBER 2005 FINANCE & INVESTMENT REPORT

Agenda Item # 9
Prepared By:
Finance Director
Submitted By:
Executive director

#### **RECOMMENDED ACTION:**

Accept and File Report

**EXECUTIVE SUMMARY:** Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of October 2005. The report covers activity for the first four months of the 2005/2006 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

**FISCAL IMPACT:** As presented.

# REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

### **Monthly Financial and Investment Reports**

October 31, 2005 – 33% Year Complete



Prepared by:

FINANCE DEPARTMENT



#### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2005/06 FOR THE MONTH OF OCTOBER 2005 - 33% OF YEAR COMPLETE

#### Revenues

Through October 31, the Redevelopment Agency received \$239,011 in property tax increment revenues. Most property tax increment revenues are received in December and April. The Redevelopment Agency, as of October 31, 2005, has collected \$100,000,000 in tax increment revenue under the original plan and has collected \$79,025,603, net of pass-through obligations to other agencies, toward the plan amendment cap of \$147,000,000. All tax increment revenues collected during 2005/2006 were collected under the plan amendment.

An amount of \$1,179,041 in interest earnings and other income was received through October. This total includes \$650,000 received by the Agency for the sale of the old police facility. Additional interest earnings for October have not yet been apportioned, but will be following the quarter ending December 31. Also included in this total was a repayment from Anritsu of a previous loan made by the Agency.

#### **Expenditures**

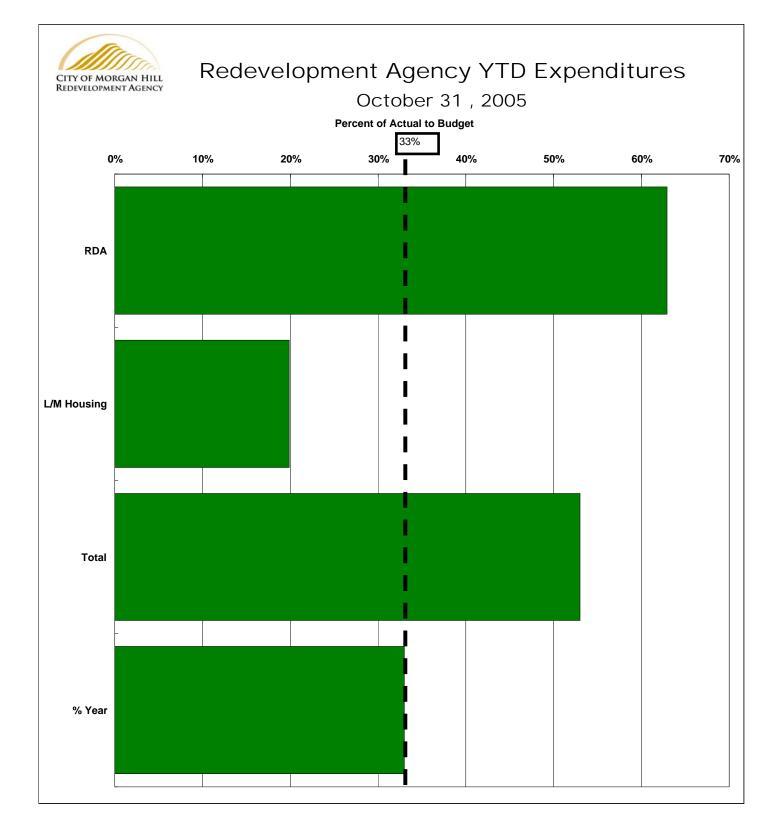
Total Redevelopment Agency Capital Projects expenditures and encumbrances equaled \$21,504,194 and were 63% of budget. Of this total, \$16,512,586 represented encumbrances for capital projects and other commitments. If the encumbrances were excluded, the RDA would have spent only 15% of the budget. Expenditures for administrative costs for employee services, supplies, and contract services were 33% of budget. Through October, CIP project expenditures totaled \$3,968,272, including approximately \$92,000 on Aquatics improvements, \$210,000 on the Library, \$3,580,000 on the Indoor Recreation Center, and \$80,000 on Tennant Avenue Widening. In addition, the Agency spent \$350,000 moving the Acton House/Museum.

Expenditures plus encumbrances for Housing were at 20% of the budget for a total of \$2,029,802. All of the 2005/06 housing related expenditures has been funded with tax increment collected under the plan amendment.

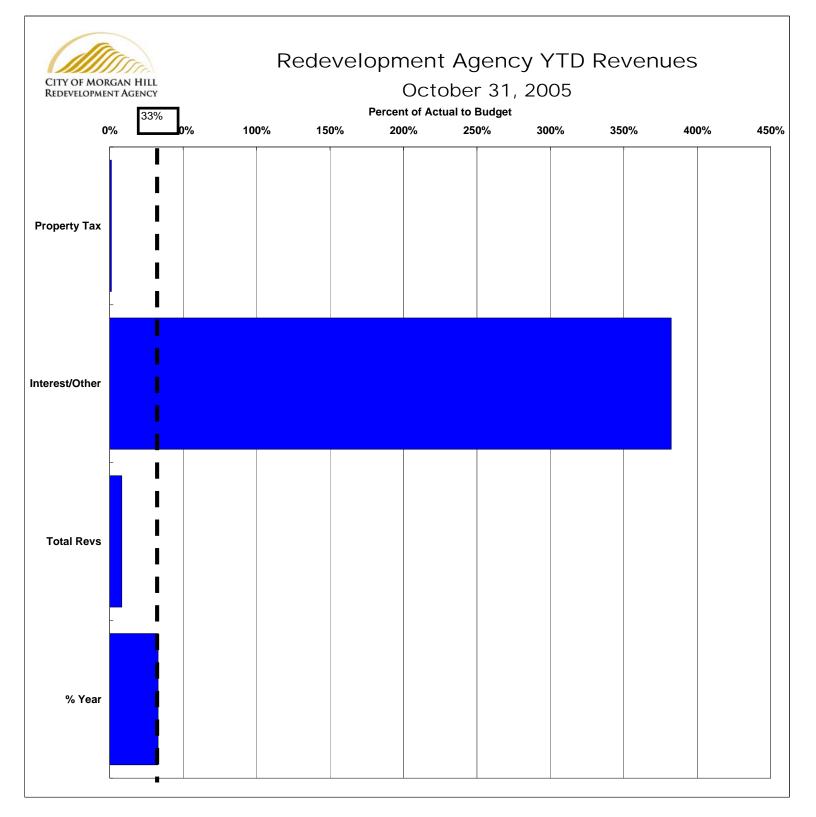
#### **Fund Balance**

The unreserved fund balance of negative (\$7,899,951) for the Capital Projects Fund at October 31, 2005, consisted entirely of monies collected under the plan amendment. The unreserved fund balance included future obligations to pay an additional \$2.7 million for the Courthouse Facility and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all these future commitments are subtracted from the negative (\$7,899,951), the remaining unreserved fund balance at October 31 would be a negative (\$12,209,951). However, these commitments are expected to be paid out over the next 2 to 3 years. Property tax increment receipts in the near future will provide the resources necessary to carry the Agency through the remainder of this fiscal year. The Capital Projects Fund cash balance at October 31 was \$8,629,384.

The unreserved fund balance of \$5,061,761 for the Housing Fund at October 31 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$34,179,737	\$21,504,194	63%
HOUSING	10,209,748	2,029,802	20%
TOTALS	\$44,389,485	\$23,533,996	53%



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY TAXES	\$19,571,636	\$239,011	1%	\$175,936	36%
INTEREST INCOME/RENTS/OTHER	\$308,397	\$1,179,041	382%	\$194,816	505%
TOTALS	\$24,380,033	\$2,028,052	8%	\$370,752	447%



Redevelopment Agency Fund Balance Report - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Complete

		Unaudited	Revenue	s	Expenditu	res	Year to-Date	Ending Fu	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-05	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted
317	CAPITAL PROJECTS	\$11,782,380	1,892,913	9%	4,991,608	15%	(3,098,695)	16,583,636	(7,899,951)	\$8,629,384	
							( ', ', ',	, ,	( , , ,		
327/328	HOUSING	\$7,164,865	135,139	3%	1,636,712	16%	(1,501,573)	603,090	\$5,061,761	\$5,688,238	
TOTAL C	APITAL PROJECT FUNDS	<u>\$18,947,245</u>	2,028,052	<u>8%</u>	6,628,320	<u>15%</u>	(4,600,268)	<u>17,186,726</u>	(2,838,190)	14,317,622	
SUMMAR	Y BY FUND TYPE										
		-									
	CAPITAL PROJECTS GROUP	\$18,947,245	2,028,052	8%	6,628,320	15%	(4,600,268)	17,186,726	(2,838,190)	14,317,622	
							, , , , , , , , , , , , , , , , , , , ,		, , , , ,		
	TOTAL ALL GROUPS	\$18,947,245	2,028,052	8%	6,628,320	15%	(4,600,268)	17,186,726	(2,838,190)	14,317,622	
	TOTAL CASH AND INVESTMENTS									14,317,622	

<sup>&</sup>lt;sup>1</sup> Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency Year to Date Revenues - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll Loan Proceeds Interest Income, Rents Other Agencies/Current Charges  TOTAL CAPITAL PROJECTS	15,169,461 4,500,000 297,947 	15,169,461 4,500,000 297,947 	191,209 610,000 437,661 654,043	1% 14% 147% <u>n/a</u> _ <b>9%</b>	140,749 - 30,483 111,437 282,669	50,460 - 407,178 <u>542,606</u> <b>1,610,244</b>	36% n/a 1336% <u>487%</u> <b>570%</b>
327/328 HOUSING			-,,,				
Property Taxes & Supplemental Roll Interest Income, Rent Other	4,402,175 10,450	4,402,175 10,450 	47,802 83,654 3,683		35,187 52,445 451	12,615 31,209 3,232	36% 60% <u>717%</u>
TOTAL HOUSING	4,412,625	4,412,625	135,139	<u>3%</u> _	88,083	47,056	<u>53%</u>
TOTAL CAPITAL PROJECTS FUNDS	24,380,033	24,380,033	2,028,052	8%	370,752	1,657,300	447%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAI	PITAL PROJECTS							
	BAHS Administration BAHS Economic Developme BAHS CIP	108,892 32,585 1,413,671	1,576,311 3,993,900 22,709,000	1,638,740 4,108,252 28,432,745	484,864 538,472 3,968,272	59,794 376,183 16,076,609	544,658 914,655 20,044,881	33% 22% <u>70%</u>
тот	AL CAPITAL PROJECTS	1,555,148	28,279,211	34,179,737	4,991,608	16,512,586	21,504,194	<u>63%</u>
327 ANI	D 328 HOUSING							
	Housing	124,844	10,191,842	10,209,748	1,636,712	393,090	2,029,802	<u>20%</u>
TO	TAL HOUSING	124,844	10,191,842	10,209,748	1,636,712	393,090	2,029,802	<u>20%</u>
TOTAL	CAPITAL PROJECT FUND	1,679,992	38,471,053	44,389,485	6,628,320	16,905,676	23,533,996	53%

Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2005/06 For the Month of October 2005 33% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	, ,	, ,
On the other standard		
Cash and investments: Unrestricted	9 620 294	E 600 220
Accounts Receivable	8,629,384 27,703	5,688,238
Loans Receivable <sup>1</sup>	4,289,788	31,508,214
Louis Rootrabio	4,203,700	31,300,214
Advance to Other Funds		
Fixed Assets <sup>2</sup>	71,049	210,000
Other Assets		
Total Assets	13,017,924	37,406,452
LIABILITIES		
Accounts Payable and Accrued Liabilities	30,815	23,814
Deferred Revenue <sup>3</sup>	4,301,313	31,717,787
Accrued Vacation and Comp Time		
Total liabilities	4,332,128	31,741,601
Total habilities	4,332,120	31,741,001
FUND BALANCE		
Fund Balance		
i dila balance		
Reserved for:		
Encumbrances	16,512,587	393,090
Advance to Other Funds	10,512,567	393,090
Properties Held for Resale	71,049	210,000
Loans and Notes Receivable	,	,,,,,
Total Reserved Fund balance	16,583,636	603,090
Unreserved Fund Balance	(7,897,840)	5,061,761
Total Fund Balance	8,685,796	5,664,851
Total Liabilities and Fund Balance	13,017,924	37,406,452

 $<sup>^{\</sup>rm 1}\,$  Includes Housing Rehab loans and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>2</sup> Includes RDA properties held for resale.

<sup>&</sup>lt;sup>3</sup> Includes the deferred payment portion of the loans noted above.



FIFTH STREET

#### REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: November 16, 2005

#### **RECOMMENDED ACTION(S):**

1. Approve a loan of up to \$60,000 under the Agency's Housing Rehabilitation Loan Program to rehabilitate the home at 50 West Fifth Street.

HOUSING REHABILITAION LOAN FOR 50 WEST

2. Authorize the Executive Director to do everything necessary to prepare and execute loan documents.

Agenda Item # 10

**Prepared By:** 

BAHS Housing Rehab Coordinator

Approved By:

**BAHS Director** 

**Submitted By:** 

**Executive Director** 

**EXECUTIVE SUMMARY:** In November 2005, the Housing Rehab Loan Committee approved a housing rehabilitation loan for the amount of \$60,000 to rehabilitate the single family home located at 50 West Fifth Street. The program guidelines require Agency approval for loans over \$40,000. The Walleys own the home located at 50 West Fifth Street. This home was built in the 1890's without a foundation. It is in poor condition and requires major renovations to allow it to be rented again. This loan will allow for the total renovation of the structure including a foundation. This project falls within standard guidelines for rehabilitation loan projects. Due to the age of the home, it will also qualify for a \$9,000 paint, lead, and historical grant under the Agency's Paint Program.

The terms of the \$60,000 loan are as follows: A 3% deferred loan due in fifteen years. The home will become an affordable low income rental unit for the term of the loan. There will be a 2% early pay off penalty if the loan is paid prior to ten years. We will also require professional property management for the term of the loan.

By funding the repairs through the Housing Rehab Loan Program, we would ensure proper project management and funding to complete the project to our expectations.

**FISCAL IMPACT:** There are sufficient funds in the BAHS Housing Division 327-7100 budget for FY 05-06.

Submitted for Approval: November 16, 2005

#### CITY OF MORGAN HILL JOINT REGULAR REDEVELOPMENT AND SPECIAL CITY COUNCIL MEETING MINUTES – OCTOBER 26, 2005

#### **CALL TO ORDER**

Chairman/Mayor Kennedy called the special meeting to order at 7:03 p.m.

#### **ROLL CALL ATTENDANCE**

Present: Agency/Council Members Carr, Grzan, Sellers, Tate and Chairman/Mayor Kennedy

#### **DECLARATION OF POSTING OF AGENDA**

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

#### **SILENT INVOCATION**

Mayor Kennedy announced that he would be adjourning the meeting in memory and honor of Jitsuko Minami.

#### **PLEDGE OF ALLEGIANCE**

#### CITY COUNCIL SUBCOMMITTEE REPORTS

Mayor Pro Tempore Tate announced that the Financial Policy Committee just concluded its meeting. The Committee discussed the progress being made on the Community Conversation. He stated that the City's consultant provided the Committee with materials it is currently reviewing. The Committee has scheduled preliminary sessions to take place in November and December 2005 and indicated that the Community Conversation process is on track.

#### **OTHER REPORTS**

Mayor Kennedy stated that a South County Transportation Planning meeting was held this morning and that he attended this meeting, along with Council Member Sellers, Gilroy Mayor Al Pinhero, and Santa Clara County Board of Supervisor Don Gage; as well as staff from these jurisdictions. The meeting was held in order to develop a strategy for South County. It was noted that the Valley Transportation Authority is facing important decisions at a meeting to be held on November 3, 2005. He said that the VTA Board will be discussing different scenarios for funding of Measure A as well as prioritization of projects. Also, to be discussed is the ¼ cent sales tax. He stated that the discussion held was consistent with the direction the Council gave he and Council Member Sellers at a previous meeting. He stated that this information would be forwarded to Supervisor Gage, a voting member on the Board; as well as to Morgan Hill's voting representative, Council Member Bob Livengood, City of Milpitas.

City of Morgan Hill Joint Regular Redevelopment Agency and Special City Council Meeting Minutes – October 26, 2005 Page - 2 -

City Treasurer Roorda presented the Financial Policy Committee Quarterly Report; focusing on the general fund. He said that typically, revenues come in slow the first quarter. Over the course of the year, revenues ramp up and eventually surpass the rate in which funds are spent. Some of the timing differences being seen are attributed to the new way the State is passing along vehicle fees, property taxes and sales taxes. These revenue sources will be distributed later in the year. He noted the City is at 17% revenue. This amount will turn around in the third and fourth quarters. He stated that the aquatics center came in at approximately 43% of budget. He said that police expenses are ahead of last year and that this is attributed to pension cost increases, billing, and vehicle costs. He said that the police department is running approximately 2% ahead of budget. In looking at administration, recreation, and aquatics costs together, they are running approximately 37% of budget. He said that there are substantial cash flow impacts associated with the general fund. This has to do with the timing of when revenues come in. He said that expenses tend to be flatter over the course of the year. He expects a turn around and that the City should start to see the General Fund pick up again toward the end of the year as revenues come in. He stated that General Fund levels remain strong at \$7.5 million.

#### **PUBLIC COMMENT**

Chairman/Mayor Kennedy opened the floor to public comments for items not appearing on this evening's agenda. No comments were offered.

#### Redevelopment Agency Action

#### **CONSENT CALENDAR:**

Council Member Grzan requested that item 2 be removed from the Consent Calendar.

<u>Action:</u> On a motion by Vice-Chair Tate and seconded by Agency Member Sellers, the Agency Board unanimously (5-0) <u>Approved</u> Consent Calendar Item 1 as follows:

### 1. <u>SEPTEMBER 2005 FINANCE & INVESTMENT REPORT - RDA Action: Accepted</u> and <u>Filed</u> the report.

### 2. <u>FIRST QUARTER REPORT FROM THE CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT PARTNERSHIP</u>

Director of Business Assistance and Housing Services Toy indicated that the Redevelopment Agency has a contract with the Chamber of Commerce (Chamber) to provide supplemental and economic development services. He stated that each quarter, the Chamber provides a report on their services. He indicated that representatives from the Chamber were in attendance to address their quarterly activities.

Bob Martin informed the Council that the Chamber is moving forward with its "Shop Morgan Hill" promotion. He said that the Chamber has had a successful month in terms of media coverage, consistent with their visitors' strategy. They have been successful in raising additional funds this month; receiving

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a \$4,000 PG&E grant and have been given \$5,000 this year from one of their key partners - South Valley National Bank. He stated that the Chamber has momentum and good things are taking place.

In response to Agency Member Grzan's question, Mr. Martin indicated that the Chamber can provide the Council with the costs (expenses) associated with the activities listed this quarter. He indicated that the Chamber furnishes a monthly report to staff regarding expenses and that he would agree to include this information with future quarterly reports.

Dan Ehrler stated that the Central Coast Marketing Team (CCMT) is an organization that represents economic development programs from the northern most part of Morgan Hill down to Santa Barbara. He said that the Chamber has joined this organization and that the organization has provided some leads, in terms of potential businesses that have an interest in the region; hopefully, to create relationships with them. He informed the Council that earlier this month, he went to a site location trade mission in San Francisco, Walnut Creek and San Jose. He visited real estate brokers representing CCMT. He said that these activities are placing Morgan Hill in a position to create new relationships. He indicated that there is a perception about Morgan Hill and that in talking with various real estate brokers, there is interest in Morgan Hill. He felt that these relationships would prove to be fruitful in the future, and that they would follow up on these leads. Also, there is an opportunity to bring in an organization that conducts events that reportedly generates approximately \$1.5 million to communities. The Chamber is trying to make arrangements to bring this group/event to Morgan Hill in the future. He stated that more activity will be seen and that specific information will be presented to the Council in the future.

<u>Action:</u> On a motion by Vice-Chair Tate and seconded by Agency Member Carr, the Redevelopment Agency Board unanimously (5-0) <u>Accepted</u> the Report.

#### City Council Action

#### **CONSENT CALENDAR:**

<u>Action:</u> On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) <u>Approved</u> Consent Calendar Items 3-8, as follows:

### 3. <u>SEPTEMBER 2005 FINANCE & INVESTMENT REPORT - CITY Action: Accepted and Filed the report.</u>

#### 4. BI-ANNUAL VACANCY RATE SURVEY

<u>Action:</u> <u>Established</u> the Bi-Annual Vacancy Rate for October 2005 as Recommended by the Planning Commission.

### 5. <u>SENIOR CENTER OPERATOR CONSULTANT AGREEMENT WITH YMCA OF SANTA CLARA VALLEY</u>

<u>Action:</u> <u>Authorized</u> the City Manager to Execute a Contract with the YMCA of Santa Clara Valley in the Amount of \$75,000 for the Operation of the Senior Center at the Friendly Inn.

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#### 6. LOCAL HAZARD MITIGATION PLAN

<u>Action:</u> <u>Approved</u> Resolution No. 5954, Adopting the Local Hazardous Mitigation Plan as Required by the Disaster Mitigation Act of 2000 and The Association of Bay Area Governments.

#### 7. CIVIC CENTER PLAZA SISTER CITY-LIBRARY ART PROJECT

<u>Action:</u> 1) <u>Received</u> Recommendation from the Library, Culture and Arts Commission on the Civic Center Plaza Portion of the Library Project; and 2) <u>Directed</u> Commission to Explore Public Art Processes and Funding for Council Consideration.

## 8. MINUTES OF JOINT SPECIAL CITY COUNCIL AND SPECIAL PARKS & RECREATION COMMISSION MEETING OF OCTOBER 18, 2005 Action: Approved as Submitted.

#### City Council Action

#### **OTHER BUSINESS:**

### 9. REQUEST FROM THE MORGAN HILL KIWANIS CLUB TO CO-SPONSOR/FUND SPECIAL EVENT PERMIT FEE FOR THE HOLIDAY LIGHTS PARADE

Council Services & Records Manager Torrez presented the request for City co-sponsorship of the Kiwanis Club December 3, 2005 Holiday Lights Parade. She informed the Council that the Kiwanis are requesting the City pay the \$125 Special Events Permit as well as the costs associated with providing police security. She indicated that the cost to co-sponsor this event would be approximately \$1,605 (\$125 special event permit, \$1,080 police in-kind services; and \$400 for Public Works Assistance on road closures). Should the Council wish to cosponsor this event, the Council would need to allocate \$1,605 from the General Fund reserves. Doing so would allow the three departments involved to achieve full cost recovery efforts.

Mayor Kennedy opened the floor to public comment. Barbara Kimmich, representing the Kiwanis Club, requested Council support and City services for the annual Holiday Lights Parade. No further comments were offered.

Council Member Sellers agreed that this is an event the Council should be supporting. However, he expressed concern that this event has not been budgeted. He said the City goes through a budget process every year and is told that there is no money for certain activities only to be asked throughout the year for funding through the reserves. He felt the Council needs to fund during the budget review/approval process and not be reacting throughout the year and taking money from the General Fund reserves. He stated that he would be voting in support of the request this evening, but would be insisting that the Council allocate funding, or have a process in place that organizations are made aware, at the front end, that funds are not available.

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Council Member Carr concurred with Council Member Sellers' comments and suggested that the Council have a short discussion about community promotions at its goal setting retreat. Staff can be asked to total up co-sponsorship funding for Council review and consideration.

#### Action:

On a motion by Mayor Pro Tempore Tate and seconded by Council Member Grzan, the City Council unanimously (5-0) <u>Approved</u> the Request from the Kiwanis Club for Co-Sponsorship and <u>Authorized</u> \$1,605 be appropriated from the General Fund Reserves into Community Promotions budget (010-42248-1220).

### 10. <u>UPDATE ON OUTDOOR SPORTS COMPLEX OPERATIONS PROPOSALS BY YOUTH SPORTS GROUPS</u>

Special Assistant to the City Manager Spier presented an update of a July 27, 2005 presentation regarding the outdoor sports complex. She stated that at the time, the Council adopted goals as well as an implementation strategy regarding the outdoors sports complex. She indicated that staff has worked with non profit youth organizations to come up with a design that would benefit the youths as well as the City's master plan program for the outdoor sports complex. Also, reviewed were the operation and maintenance issues. After a series of meetings and discussions, it was determined that the sports groups alone could not fund the operations and maintenance of the 36-acre parcel. This resulted in looking at a private-public partnership with the City receiving a proposal from the Coliseum Recreation Group. On October 19, 2005, it was announced that this proposal would no longer be moving forward. She informed the Council that staff would be working with the sports groups once again.

Ms. Spier indicated that adult sports groups were not included in the mix as the fields were impacted in trying to meet youth sports needs. In order to meet the minimum basic budget of \$2.5 million, it would necessitate sports groups contributing to the development of some of the fields (e.g., \$270,000 in-kind contribution). She informed the Council that staff was directed to meet with the Morgan Hill Youth Sports Alliance and the Morgan Hill Youth Sports League. Both have provided letters of intent; expressing a willingness to try and maintain the complex. She stated that the Council adopted an implementation strategy that talks about working with the community's non profit groups in order to operate the parcel not set aside for private development. She informed the Council that the two non profit groups have competing needs and have not been able to work out their differences. In July 2005, the Council adopted a series of deal points that were presented to both youth groups that addressed parking and operation parameters the City would be adopting. The Council adopted a combined proposal by both groups in October 2005. Both groups agreed that the community model is similar to the aquatics center model; limited access or restricted access. In order to be responsible for the maintenance and operations of the fields, whichever group takes on the sports center, would require a reservation process and/or a priority system.

Ms. Spier addressed the operations & maintenance models. She indicated that both non profit youth sports groups have submitted proposals as to what they estimate their costs to be. She informed the Council that the Public Safety & Community Services Committee would like to explore additional options; including working with the non profit youth groups on some of their issues. She indicated that staff has sent a request to both non profit youth group representatives asking for a criteria list of deal

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points/issues. She said that there has been a lot of exchange and communication, but not on paper. Therefore, it would be difficult to respond via letter. She stated that consideration of field use fees needs to be centralized and coordinating, including review of School District fees. Should the City charge more for reservations at the sports complex, there may be an allegiance to stay at the sports fields at the School District. She informed the Council that the CYSA lease will go through December 2006; giving the City additional time to work on these issues. However, the City needs to make a decision soon as staff has suspended further conceptual design of the complex until there is an operational plan in place to present to the Council. She indicated the Committee would like an opportunity to address alternatives. She said that a private vendor has approached some of the hotel operators and has talked about a different business plan. She stated that staff would like to pursue this plan. It is staff's hope that it would have a report to present to the Council prior to the annual retreat to be held in January 2006.

Council Member Sellers said that the Community & Economic Development Committee was asked to meet with one of the private operators. It was indicated that the City needs to look at a 30% increase, at a minimum, versus the \$11 million that was projected to complete the project in order to account for increased construction costs. He felt that \$2.5 million may be inadequate.

Ms. Spier agreed the City should rethink some of the areas of the project, but not programming. She indicated that the \$2.5 million does not include in ground irrigation costs. She said that it may not be prudent to manually irrigate the land as is currently being done as it would involve a volunteer labor pool. Additional irrigation time would result in limited use of the facilities.

Mayor Kennedy noted that this is a project that overlaps between Council committees: the Community & Economic Development Committee and the Public Safety & Community Services Committee.

Council Member Carr, Chair of the Public Safety & Community Services Committee, said that this committee needs to engage itself more. He indicated that the Committee has purposely taken a "hands off" approach to this item, as a Council direction, in order to allow the user groups to work out some of the issues. The Committee would like to explore alternatives and broaden the discussions. The City may need to take a step back and look at the overall goal for this piece of property. It may be that the City is heading down the wrong path. The Committee would like to revisit this item; thus, the recommendation to report back to the Council prior to the annual retreat. He said that the Council will need to do is to look at its assumptions on costs to see if they are outdated.

Mayor Kennedy opened the floor to public comment.

Bob Benevento, representing Pony Baseball and the Morgan Hill Youth Sports Alliance, informed the Council that he represents the Orchard Valley Youth Soccer League (approximately 1,400 players); Pony Baseball (800 players); Pop Warner Football (400 players); and Spirit of Morgan Hill Girls Softball League (400 players). He said that he represents approximately 3,000 players with 500 coaches, parents and volunteers for a total of approximately 3,500 individuals or 10% of the population of Morgan Hill. He felt this group represents the youth groups of the City as opposed to the Morgan Hill Youth Sports League. When tasked by the Council for both groups to work together, it was found that they could not. He requested the Council extend the decision making process. He felt there is a lot of

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communication and work to be done; working with the Council to assist in achieving goals. He supported the City's consideration of alternate operation models. He had an opportunity to listen to David Dworkin's group and felt that they may have a plausible solution; one that they could work with. He further requested the Council think in terms of a first class facility. Instead of looking for the youth groups to contribute \$200,000-\$250,000 or more in-kind services or volunteer contributions; that the City build the complex slowly; taking advantage of the soccer complex in place. The City can start out with one or two fields, depending on the money available. Then expand the complex as time and money permits. This would allow the City to build a first class facility. He indicated that sports groups will not be able to leave the School District fields as they invest heavily in helping to maintain and operate the School District properties. However, they are interested in working with the City, in some fashion, to bring the sports complex to fruition.

Council Member Grzan requested that an unduplicated count of youths participating in multiple sports be identified.

Council Member Sellers felt that it may only be a 10%-15% duplicating factor.

No further comments were offered.

Mayor Kennedy concurred with building a first class facility as it was his belief that a facility needs to be planned right. He felt this project would be a logical candidate for the extension of the Redevelopment Agency. The extension could include funding for the outdoor sports complex in order to plan it right.

Council Member Sellers appreciated the timeline established by the Committee. He felt the Committee needs to take into consideration the larger picture. Instead of phasing the sports complex, the City may wish to consider completing the entire facility correctly, from an economic development standpoint, and in terms of what serves the youth best. The City could reach a point where it can make a decision for CYSA as he was anxious about CYSA continuing in Morgan Hill.

Mayor Kennedy noted that it will take time to extend the Redevelopment Agency in order to attain the appropriate funds. If \$12-\$19 million is needed to construct the appropriate facility, would the youth leagues be able to handle a 2-3 year delay?

Mr. Beneveto responded that Pony League did not anticipate being able to use new fields until 2008 based on construction in 2007. He said the League would continue to use school fields until the foreseeable future.

Council Member Grzan inquired whether the intent would be a full build out of a regional facility.

Ms. Spier said that it is the Council's goal to service all local youths' needs. However, the numbers will change should the City add components to the project (e.g., additional restrooms, construction of a restaurant, etc.).

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Mayor Kennedy said that it is the Council's goal to serve local youth teams. Another potential goal is to use the facility as an economic development tool. He felt this discussion is still open. He did not believe the Council has made a decision on this particular goal.

Council Member Tate said that the Council tried to relocate the soccer fields to Sobrato, and that the Council now needs to see if the Council can balance these two goals. He agreed the Council needs to reevaluate the project.

Council Member Carr noted that individuals/groups have already spent 18-24 months working on this project; bringing individuals in; and talking about the master plan and what phase I should be. He felt there were a lot of individuals feeling that this was a decision the Council could have figured out and move forward. He clarified that it was not the Council's intent to delay the project, but that it was their intent to proceed with the right project. He felt the Council needs to refocus itself and get behind the idea as to the services to be provided to the community and what is an economic return that may be captured. The Council needs to make sure it achieves the goals it sets; completing the project correctly.

Mayor Kennedy noted that Council Member Grzan has previously recommended that the City invest on facilities that will reduce the operations and maintenance costs. He said that installation of artificial turf would cost more initially. However, the operation and maintenance costs would be less. The installation of underground water sprinklers as opposed to the water cannons would be ways of reducing the operating costs and would lesson the drain on the general fund.

Action: On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the

City Council unanimously (5-0) <u>Received</u> Update Regarding a Combined Proposal to Operate and Maintain the Outdoor Sports Complex by Youth Sport Group Organizations.

<u>Action:</u> On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the

City Council unanimously (5-0) <u>Approved</u> Extension of time to the Public Safety and Community Services Committee to Develop a List of Alternatives on Moving Forward

with Discussions.

**Action:** On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the

City Council unanimously (5-0) **Directed** Staff Not to Move Forward on the Design of the

Complex until an Operations Plan is Adopted.

### 11. REQUEST FOR CITY-ISSUED LAPTOP COMPUTER AND/OR OTHER PORTABLE ELECTRONIC COMMUNICATION DEVICES

Council Services & Records Manager Torrez presented the staff report on a request by a Council member to be issued a City laptop computer. She indicated that \$1,500 would be sufficient to cover the cost of a laptop computer. However, the Council would need to appropriate funding from the General Fund reserves as a budget allocation for computer purchase was not accommodated within the Fiscal Year 2005-06 Council budget.

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Mayor Kennedy stated that when he saw the laptop request, he felt that there are costs that each elected official incurs in order to be able to do theirs job as Council members; whether it is the use of a cell phone or laptop to conduct city business. He felt it would be appropriate to allocate funding for this purpose. He felt this would be a discussion to be held as part of the budget workshop; earmarking some funds for technology (e.g., laptop, palm pilot, treos, cell phones, etc.) as these are tools needed by Council members to effectively perform their jobs. He recommended the Council give consideration to allocating a certain amount of dollars per council member per term to be used for the purchase of technology devices. He suggested \$2,000 per term; spreading this amount over the terms of council members; equating to approximately \$2,500 per year. He recommended that the laptop request be considered as a one time request, and discuss a budget item at the Council's goal setting workshop.

Council Member Grzan stated that he finds it difficult to receive information from the City and various agencies. Receiving information, electronically, seems to be the preferred method of communication today. He said that on several occasions, this past year, his e-mail messages backed up and he could not receive additional messages because of the backlog. He is not able to access his home computer, on occasions, based on other evening commitments. He said that there was an important e-mail sent out Sunday evening that he did not receive until Monday evening. Therefore, he missed an opportunity to correspond with members of the community. He felt there is an advantage to having a laptop and being able to access e-mails and other correspondence during the course of the day, no matter his location. He would support a measure that would provide council members the resources that would allow access to city information and better communication with staff and the public.

Council Member Sellers indicated that he understands the concern. However, he could not support providing the resource as it would set a precedent. He noted the City does not provide laptops to its senior staff or other staff. He felt it would be important for the Council to make a statement; particularly in these lean budget times. He indicated the City has a loan program in place that is afforded to most employees and felt this program could be extended to Council members. He noted that Council members have other jobs and sources of employment and that it is always a difficult balance. He recommended a software solution to assist council members, as an approach. As an alternative, a loan program would be appropriate.

Mayor Pro Tempore Tate felt that everyone needs to have the tools available to do their jobs. He indicated that he understands the need of a laptop for portable use. He felt the City needs to find a way to meet these needs. If the need is for city business, a City-issued computer or phone (loaner) should be made available. He felt the Council needs to make sure it has the tools necessary to do its job, but he does not see supplying the tools on a permanent basis.

City Manager Tewes informed the Council that management staff is provided with personal city-issued computers, but are not issued assigned laptops. He indicated that departments have purchased common laptops that are available to be checked out when someone has a specific need (e.g., travel or conference). The laptop would be available for Council checkout for this purpose as well. However, a laptop would not be available as a permanent allocation as this is not the purpose of the checkout program.

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Council Member Grzan indicated that he would prefer a laptop in order to be able to connect to technology wherever he is located. He stated that he would like to access updated information electronically, no matter where he is. He would like to move toward a paperless environment and that having electronic access would make him a more effective and efficient Council member. He felt it would be appropriate for the City to support council members so that they can communicate with members of the public, electronically, during the course of the day; no matter whether they are located off or on site.

Council Member Carr agreed that Council members need the right tools to do their job. He would like to see the City move toward a paperless environment. He stated that it would be difficult for him to appropriate dollars outside the budget cycle when the Council has already set goals for this year. He noted that just a couple of weeks ago, the Council set a priority for public safety and where it was going to spend additional dollars outside the budget process. He stated that he could not support appropriating additional dollars outside the budget process this evening. He would support engaging in this discussion as the Council begins its budget process for the next calendar year. He does not find it appropriate to appropriate additional dollars outside the budget process.

#### Action:

On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council, on a 4-1 vote with Mayor Kennedy voting no, <u>Agreed</u> to give consideration to this item as part of the budget process. Further, the Council is to address any policy issues relating to this as part of the Council's annual retreat.

Mayor Kennedy did not support the motion because he felt it important that Council members be provided with essential tools.

#### 12. JANUARY 2006 CITY COUNCIL GOAL SETTING SESSION

Council Services & Records Manager Torrez requested the Council identify two-days in January 2006 to conduct the Council's annual goal setting work session. She offered Friday 8 a.m. - 5 p.m. and Saturday 9 a.m. - 1 p.m., on January 13 and January 14 or January 20 and January 21.

Action:

By consensus, the Council <u>Agreed</u> to hold its annual goal setting session on Friday, January 20, 2006 from 8 a.m. to 5 p.m. and Saturday, January 21, 2006 from 9 a.m. to 1 p.m.

#### **FUTURE COUNCIL-INITIATED AGENDA ITEMS**

Mayor Kennedy indicated that he received an e-mail from Lisa Rabello requesting that the Council delay the public hearing on the land use entitlements for the Cochrane shopping center proposal because of a scheduling conflict that Mr. Morris, owner of the Cochrane Plaza Shopping Center, has. He requested comments on this request.

City Manager Tewes stated that this is a development application with a series of actions that will need to be considered on November 16, 2005. He indicated that the Planning Commission has held three,

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multi hour meetings on this development application and will have one additional meeting prior to the Council's November 16 meeting. He informed the Council that Mr. Morris and his representatives have been represented at each of these Planning Commission meetings. He noted that these records will come before the Council on November 16. He checked with the applicants this evening to determine their views on the extension. He informed the Council that the applicants are hopeful that the Council will retain the November 16 meeting date established. Should the Council agree to hear the matter on November 16; staff can advise Mr. Morris and others with interest, that they can submit their materials in writing in advance of the November 16 meeting. This would provide an opportunity for their views to be heard in addition to their comments/materials previously presented.

Mayor Pro Tempore Tate stated that it was his belief that Mr. Morris has met with all Council members, individually.

Council Member Sellers said that the City has a policy such that it accommodates applicants' needs. If the applicant did not object to the continuance, he would support the continuance being requested. However, he noted that the applicant has expressed a desire to move forward, and that this needs to be considered.

<u>Action</u>: It was the consensus of the City Council to <u>Retain</u> the shopping center development application hearing as scheduled on November 16, 2005.

No items identified

#### Redevelopment Agency and City Council Action

#### **CLOSED SESSIONS:**

Interim City Attorney/Agency Counsel Siegel announced the below listed closed session items:

1.

#### **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 3

#### OPPORTUNITY FOR PUBLIC COMMENT

Chairman/Mayor Kennedy opened the Closed Session items to public comment. No comment being offered, the public comment was closed.

#### **ADJOURN TO CLOSED SESSION**

Chairman/Mayor adjourned the meeting to Closed Session at 8:08 p.m.

#### RECONVENE

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Chairman/Mayor Kennedy reconvened the meeting at 8:42 p.m.

#### **CLOSED SESSION ANNOUNCEMENT**

Executive Director/City Manager Tewes announced that no reportable action was taken in closed session.

#### **ADJOURNMENT**

There being no further business, Chairman/Mayor Kennedy adjourned the meeting at 8:43 p.m. in Memory of Jutsuko Minami

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, AGENCY SECRETARY/CITY CLERK

Submitted for Approval: November 16, 2005

#### CITY OF MORGAN HILL JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES – NOVEMBER 2, 2005

#### **CALL TO ORDER**

Mayor/Chairman Kennedy called the special meeting to order at 6:02 p.m.

#### **ROLL CALL ATTENDANCE**

Present: Council/Agency Members Carr, Grzan, Sellers, Tate and Mayor/Chairman Kennedy

#### **DECLARATION OF POSTING OF AGENDA**

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

#### City Council and Redevelopment Agency Action

#### **CLOSED SESSIONS:**

Interim City Attorney/Agency Counsel Siegel announced the below listed closed session items:

1.

#### CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 3

2.

#### CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code Section 54956.9(a)
Case Name: Berkman v. City of Morgan Hill et al.

Case Number: Santa Clara County Superior Court, 1-04-CV-031021

Attendees: John Flegel

3

#### PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority Government Code 54957

Public Employee Performance Evaluation: City Manager

Attendees: City Council, City Manager

#### **OPPORTUNITY FOR PUBLIC COMMENT**

Mayor/Chairman Kennedy opened the Closed Session items to public comment. No comments were offered.

#### **ADJOURN TO CLOSED SESSION**

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 6:03 p.m.

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#### **RECONVENE**

Mayor/Chairman Kennedy reconvened the meeting at 7:00 p.m.

#### **CLOSED SESSION ANNOUNCEMENT**

Interim City Attorney/Agency Counsel Siegel announced that no reportable action was taken in closed session and that the Council would be returning to closed session following agenda item 13.

#### **SILENT INVOCATION**

#### **PLEDGE OF ALLEGIANCE**

#### **CITY COUNCIL REPORT**

Council Member Sellers reported on the Valley Transportation Authority (VTA), indicating that a meeting was recently hosted in Morgan Hill attended by Santa Clara County Board of Supervisor Gage, City of Gilroy Mayor Pinheiro, and City staff to discuss key issues relating to the ¼ cent sales tax being considered by VTA next year. He stated that this was a very productive meeting and that those in attendance were able to come up with specific items germane to the discussion, vital to South County, and would meet the long term transportation needs of the region. He indicated that VTA has decided to delay the discussion on the final consideration of the 1/4 cent sales tax at the Board level until such time there is further input. He felt this to be a wise decision, on their part, in taking the time to make sure that needs are considered. He stated his appreciation of Mayor Kennedy's leadership in this effort. He indicated that he is the chair of the Economic Development Committee. He noted that the Council will be considering some options about current and future uses of the Redevelopment Agency. He indicated that the Council has identified economic development as a key element of the City's activities and that it is vital to the overall long term health of the City of Morgan Hill. He said that the Committee is trying to address some of the immediate issues as well as looking at longer term economic development goals; working closely with staff as well as members in the community who have expressed an interest in this effort, particularly the Chamber of Commerce. He said that the Committee is starting to put together a key economic development plan outline to be brought back to the Council at a future date.

#### **CITY MANAGER REPORT**

City Manager Tewes reported on perchlorate issues; indicating that the City has been anxiously awaiting the results of testing the Olin Corporation has undertaken on four monitoring wells north and east of the Olin site. He indicated that Olin has recently submitted the results. He has reviewed 11 pages of the report which indicate that Olin states that there is a north/east flow from their site in the deep aquifers. However, they go on to state that they do not believe that perchlorate, in the deep aquifers, is not theirs. He said that Olin intends to make a presentation to the perchlorate citizens' advisory group this week. He informed the Council that City staff and the City's consultants will be in attendance; raising a series of questions about the report. Staff expects that Olin will not respond on the advice of their counsel.

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Staff will pose the same questions to the Regional Water Quality Control Board in hope that they will finally declare Olin a discharger for that portion of the basin north of Tennant Avenue.

#### **CITY ATTORNEY REPORT**

Interim City Attorney Siegel stated that he did not have a report to present this evening.

#### **OTHER REPORTS**

#### **PUBLIC COMMENT**

Mayor/Chairman Kennedy opened the floor to public comments for items not appearing on this evening's agenda.

Mayor Kennedy announced the Rebecca Children Services' Festival of Trees event to be held on December 2 at 6:00 p.m. at Bonfonte Gardens. He stated that he would like to bring this event to Morgan Hill next year. However, good attendance is needed from Council Members and residents in order to bring the event back to the Community & Culture Center as it is a wonderful addition to the center. He stated that he would try to see if he can get sponsors to help pay for the cost of elected members to attend this event. He encouraged members of the public to attend this event at Bonfonte Garden as it supports Rebecca Children's Home in Gilroy.

No further comments were offered.

#### City Council Action

#### **CONSENT CALENDAR:**

Council Member Grzan requested that item 7 be removed from the consent calendar.

<u>Action:</u> On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) **Approved** Consent Calendar Items 1-6 and 8-12, as follows:

#### 1. RE-BUDGETING 2004-2005 PROJECTS/PROGRAMS

<u>Action:</u> <u>Approved</u> the Re-Budgeting of 2004-2005 Project/Program Costs in the 2005-2006 Budget.

### 2. <u>APPROVE PURCHASE ORDER FOR EQUIPMENT AND LABOR FOR THE NEW POLICE FACILITY</u>

<u>Action:</u> <u>Authorized</u> the City Manager to Approve a Purchase Order in the Amount of \$7,841.27 to Verizon Telephone Company for the Additional Cost of the Installation of Upgraded Phone Equipment and Labor to Complete the Project at the New Police Facility.

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# 3. APPROVAL OF A RESOLUTION IN SUPPORT OF GUIDELINES AND STANDARDS FOR LAND USES NEAR STREAMS AND THE 2005-2006 IMPLEMENTATION PROGRAM OF THE SANTA CLARA VALLEY WATER RESOURCES PROTECTION COLLABORATIVE

<u>Action: Adopted</u> Resolution No. 5955 in Support of the Guidelines and Standards for Land Uses Near Streams and the 2005-2006 Implementation Program of the Santa Clara Valley Water Resources Protection Collaborative.

### 4. <u>AWARD FARALLON DRIVE STORM DRAIN SYSTEM AND MISCELLANEOUS STORM DRAIN REPAIR PROJECT</u>

<u>Action:</u> 1) <u>Awarded</u> Contract to Casey Construction for the Construction of the Farallon Drive Storm Drain System and Miscellaneous Storm Drain Repair Project in the Amount of \$347,685, Subject to Review and Approval by the City Attorney; and 2) <u>Authorized</u> Expenditure of Construction Contingency Funds, Not to Exceed \$34,768.

#### 5. RESOLUTION SUPPORTING AHWAHNEE WATER PRINCIPLES FOR RESOURCE-EFFICIENT LAND USE

**Action: Adopted** Resolution No. 5956.

### 6. <u>PURCHASE OF REPLACEMENT PHOTOCOPIER AND A PRINTER FOR</u> <u>COMMUNITY DEVELOPMENT DEPARTMENT</u>

Action: 1) Authorized the Purchase of a New Copier and a Color Printer for the Community Development Department through Rabbit Office Automation for a Total Cost of \$29,023; 2) Declared the Existing Photocopier as Surplus and Authorized Disposal by the Purchasing Officer; and 3) Authorized the City Manager to Execute the Maintenance Agreement, Subject to Review and Approval by the City Attorney.

#### 8. ADOPT ORDINANCE NO. 1741, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1741, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A PLANNED UNIT DEVELOPMENT (PUD) FOR A 2.94-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF MAST STREET AND RAILROAD AVENUE TO ALLOW CONCRETE BATCHING PLANTS AS A PERMITTED USE IN THE PUD AND SILOS UP TO 70 FEET IN HEIGHT (APN 817-02-064) (ZA-05-06: CITY OF MORGAN HILL – MAST STREET PUD DISTRICT AMENDMENT).

#### 9. ADOPT ORDINANCE NO. 1742, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1742, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1707, NEW SERIES, AMENDING THE DEVELOPMENT

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AGREEMENT FOR APPLICATION MP-04-02: Monterey – South County Housing (Royal Court) (APNs 764-12-008, -009, -018, & -019) (DAA-04-07: MONTEREY – SOUTH COUNTY HOUSING (ROYAL COURT).

#### 10. ADOPT ORDINANCE NO. 1743, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1743, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 18.04.245 OF THE MORGAN HILL MUNICIPAL CODE, ELIMINATING THE STREET FRONTAGE REQUIREMENT TO THE LOT DEFINITION, AND AMENDING SECTION 18.050.200, ELIMINATING THE RESTRICTION ON TANDEM PARKING FOR REQUIRED PARKING SPACES IN THE R-2, R-3, R-4 AND CC/R ZONING DISTRICTS.

#### 11. ADOPT ORDINANCE NO. 1744, NEW SERIES

Action: Waived the Reading, and Adopted Ordinance No. 1744, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADDING ARTICLE IV TO CHAPTER 18.54 (CONDITIONAL AND TEMPORARY USE PERMITS) OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL, TO ESTABLISH PROVISIONS FOR DOWNTOWN ADMINISTRATIVE USE PERMITS, AND AMENDING SECTION 18.24.030 TO ALLOW FOR ISSUANCE OF SUCH FOR GROUND FLOOR OFFICE AND PERSONAL SERVICE USES LOCATED ALONG MONTEREY ROAD AND THIRD STREET.

### 12. <u>JOINT SPECIAL & REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF OCTOBER 19, 2005</u>

Action: Approved as submitted.

### 7. <u>APPROVE MARKETING STUDY TO EVALUATE POSSIBLE PARTNERSHIP</u> <u>OPERATING MODEL FOR THE INDOOR RECREATION CENTER (IRC)</u>

Interim Recreation and Community Services Manager Cooper presented the staff report, indicating that staff recommends a study be conducted on the numbers generated by the proposal to see if the numbers are valid. If valid, that would be the time for the Council to discuss the merits of the proposal. Until such time the City completes a marketing study that validates the financial assumptions being made, staff believes it to be premature to move forward with this particular proposal. In response to Council Member Grzan's inquiry, he indicated that it is staff's intent for the study to verify the numbers contained in the new model. He noted that the new model reflects good figures and that before staff moves forward with these figures, staff would need to verify the assumptions are correct.

Council Member Grzan noted that it is being stated that there would be approximately \$700,000 generated in additional revenues with the new model. He inquired as to the main impetus for the

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increased revenue. He noted that staff has identified that adult daily and adult senior fees are proposed at \$7 and \$5. He inquired whether these were the fees to be held to under both models. He inquired whether there were overhead expenses that would be a part of the YMCA that were included and whether there were financial benefits in partnering with the YMCA.

Mr. Cooper indicated that the additional revenue would be attributed to increased fees and participation. He explained that there is a lot more revenue coming in on swimming lessons than was previously generated. He stated that there is additional revenue attributed to annual and day passes as compared to the other model. He said the City would not be competing against the aquatics center and did not want to cannibalize one swimming center over the other. Staff would make sure that the appropriate scheduling is identified to keep this from happening. He clarified that the \$75,000 is the current number being used by the YMCA for the senior program. This is not new money and would be transferred to the senior programming at the IRC facility. The \$80,000 identified as reserves would be used for future repairs and maintenance. He indicated that it is proposed to charge \$7 adult daily fees and \$5 adult senior fees. However, staff needs to test the models and felt that it was premature to commit to these fees until a third party reviews the numbers. He indicated that there would be overhead expenses, on the YMCA's part, that would be included in the numbers. He said that this amount has been figured into the budget. He noted that the new model is better than 100% cost recovery after the first year. It is staff's belief that this would equate to approximately \$80,000. He felt that there were financial advantages in partnering with the YMCA. However, benefits in partnering with the YMCA needs to be tested. He felt that the YMCA is fiscally good at breaking even with their facilities. Staff is trying to bring both strengths to the table in one proposal. He felt the City could manage the facility as well as the YMCA. He also felt that the YMCA is a good entrepreneur and that with the appropriate staffing, staff can be as well. He clarified that these are his opinions at this time and that staff needs to evaluate these opinions to make sure they are correct.

City Manager Tewes informed the Council that staff is not prepared to evaluate the YMCA's proposal. He said that the Committee and staff are indicating their desire to receive additional information before beginning the evaluation process.

Council Member Sellers said that a concern raised, in considering the original study and the IRC, is whether it would be impacted by outside entities. Particularly, the City was considering private facilities that might be built that may or may not be complimentary and/or detrimental to the operations of the IRC. He inquired whether there were plans, in the course of the study, to undertake an evaluation of the impacts by outside entities. He recommended the study include a program level evaluation of what will be complementary or detrimental to the IRC facility. This would provide the Council with quantitative information up front so that it will know, in certainty, whether the uses would be good or bad.

Mr. Cooper said that a new private facility is about to break ground in Gilroy and that staff will explore the impacts of this facility to the IRC.

Mayor Pro Tempore Tate indicated that the Public Safety & Community Services Committee has already asked all questions being asked by Council Member Grzan. He said that this agenda item is requesting Council appropriate funding to move forward with the market study. Once the market study

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is completed, the study will be reviewed by the Committee and brought back to the Council, if it can be endorsed.

Action:

On a motion by Council Member Carr and seconded by Council Member Sellers, the City Council unanimously (5-0): 1) <u>Authorized</u> the City Manager to Execute a Contract, Subject to Review and Approval by the City Attorney, to Pay for One Half the Cost of a Market Study that would Evaluate the Financial Assumptions Contained in this Proposal; and 2) <u>Approved</u> a \$12,000 Increase in the IRC 2005-2006 Budget to Accommodate this Expenditure.

#### Redevelopment Agency Action

#### **OTHER BUSINESS:**

#### 13. REDEVELOPMENT PLAN AMENDMENT FEASIBILITY STUDY

Director of Business Assistance and Housing Services Toy presented the staff report, indicating that one of the Council's goals for 2005 was to receive a report by November 2005 on options for amending the Redevelopment Plan, including the consideration of the tax increment cap and implementation strategies for addressing remaining blight. He informed the Council that Kathleen Rosenow, Rosenow Spevaceck Group, Inc., was in attendance to make a presentation on the findings from the report and Robin Harris, RWG, was also in attendance to answer Board questions. He indicated that staff is recommending the Agency authorize staff to move forward with a request for proposals (RFP) to retain the services of a firm who would prepare the plan amendment as well as a firm who would conduct the environmental assessment. He said that given the study's findings and the timeframe, it could take up to 12 months to complete. Staff is not asking the Agency to make any determinations on any types of amendments such as projects to build, tax increment caps, or fiscal caps. Staff is recommending the Agency Board confirm that the City will not be pursuing eminent domain for any residential properties. Doing so would not necessitate the establishment of a project area committee; limiting the scope of work for the consultants. He said that staff anticipates that it would take approximately 60-90 days to issue the RFP, select a consultant, and return to the Agency with a recommendation. Staff believes it would return to the Agency in January 2006 with a detailed report as to how the Agency can provide input to staff and address community involvement in the plan amendment process.

Kathleen Rosenow presented a power point presentation on a proposed Redevelopment Plan Amendment Feasibility Study. She informed the Council that the Redevelopment project area was originally formed in 1981 and includes approximately 2,700 acres of property within the boundaries of the city; focusing primarily on the city's commercial corridors. She stated that the Plan was last amended in 1999 in order to increase the tax increment cap along with a few other changes. She indicated that she is coming before the Agency Board with a feasibility study primarily to look at some of the other constraints present in the Redevelopment Plan. She stated that by law, every Redevelopment Plan in the State of California has to include certain limits. She said that some of these limits were in place in 1981 when the Plan was adopted. Others were made requirements by changes in the law that occurred. Currently, the City's Redevelopment Plan has a tax increment collection limit of

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\$247 million. She noted that the current plan limits the incurring debt to January 1, 2014. She stated that the land use controls the City put into place would terminate on June 2, 2021 and that the law gives the City an extra 10 years to collect tax increment after the expiration of the affectiveness date of June 2, 2021. The City would have to repay any remaining debt by this time.

Ms. Rosenow informed the Agency Board that the primary reason for the feasibility study is attributed to the fact that staff became aware that the City was getting close to reaching the \$247 million tax increment tax limit. She stated that she looked at three different scenarios for growth in the project area at 3%, 5% and 10%. It was found that in each situation, the cap of \$247 million would be reached in fiscal year 2007-08. She said there is a wide spread of potential revenue: \$670 million under 3% up to \$1.9 billion under a 10% growth rate. Should the City not amend its Plan to increase the \$247 million cap, the City would lose between \$670 million to \$1.9 billion in order to pay for projects that would address some of the blighting conditions in the project area.

Ms. Rosenow indicated that she worked with staff to evaluate some of the projects contained in the Redevelopment Plan and update the list; particularly with regards to updating estimated costs for a number of the projects [e.g., community facilities (\$89 million), street improvements (\$177 million), flood control (\$131 million), water/sewer improvements (\$57 million), groundwater cleanup (\$55 million), economic development (\$37 million). She said that the revised cost would result in approximately \$546 million. She stated that it was likely that a number of the projects would be funded by mixed revenue sources, not necessarily all Redevelopment Agency funds. She indicated that Redevelopment Agency law allows agencies to increase tax increments by going through a Redevelopment Plan amendment process. As part of this process, an agency would need to demonstrate that significant blight remains within the project area and that the blight cannot be addressed without an increase in funding. She said that it was her belief that there is sufficient blighting conditions remaining to warrant an amendment and that the need to complete the project totaled over \$500 billion in costs; justifying the amendment process.

Ms. Rosenow informed the Agency Board that part of the amendment process requires that an agency conforms to the requirements of CEQA. The timeline for a typical amendment to increase the cap would be approximately 6-10 months. She addressed the City's Redevelopment Agency's existing time limit to incur debt, the issue of bonding capabilities, adding eminent domain, and potentially adding territory. She indicated that the City's time limit to incur debt expires on January 1, 2014. Looking at the midrange of a 5% increase, prior to January 1, 2014, it is estimated that the City can receive another \$212 million. After this point in time, the City is estimated to receive an additional \$743 million. She stated that after 2014, when the Redevelopment Agency goes away, the City would recapture a portion of the tax increment to the City's general fund. However, the City could potentially capture approximately \$100 million after 2014, but that approximately \$743 million would be lost to the City in the form of Redevelopment Agency funding. She informed the Agency Board that it is not imperative that a decision, with regard to the elimination of the time limit to incur debt, be made a part of this process as the City has up to the year 2014 to make this decision. However, the City could eliminate this time constraint as part of this amendment process.

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Ms. Rosenow informed the Agency Board that redevelopment law also allows redevelopment agencies to issue bonds that are secured by the flow of tax increment. She indicated that the Redevelopment Agency opted not to include the authority to issue bonds as part of the 1999 amendment. She said that it may be prudent to revisit and consider the potential for adding this authority. The law allows tax increment to be paid to a redevelopment agency if there is debt to be paid. She stated that bonds are an efficient way of assuring that there is debt in place. She said that there are certain costs associated with the issuance of bonds; including carrying costs. She stated that the authority for the redevelopment agency to issue bonds is a useful tool because it facilitates earlier implementation of certain projects; offsetting escalating construction and real estate costs. Including this authority in the Plan does not mean the Agency Board has to issue these bonds. It provides the flexibility that would allow a Redevelopment Agency to make this decision as projects come forward.

Ms. Rosenow addressed the authority of eminent domain. She said that research indicates that the Redevelopment Plan included eminent domain power. However, this authority expired. In the 1999 Plan amendment, it was decided not to reinstitute this authority. She stated that the Agency has the option to establish eminent domain throughout the entire project area, or to apply it selectively. She noted that it is not being recommended that the Agency have eminent domain over residential uses. She indicated that this is a flexibility tool for the Agency and that having the authority does not mean that the Agency Board ever has to use eminent domain. If eminent domain is not included in the Agency's plan, a city would not have the option to use this tool should it ever become important.

Ms. Rosenow informed the Agency Board that another potential modification that could occur as part of an amendment process is the addition of new territory to the project area. She indicated that there were sites that were given focus: 1) a segment of Monterey Road right-of-way that was left out and does not have material affect on the Agency; 2) the De Paul Health Center; and 3) the properties that face Condit Road, between Diana and Tennant Avenues, backing to the freeway. She stated that adding territory would lengthen the timeframe for the amendment process (e.g., 12-18 month process). She said that the feasibility study concludes that blight remains in the project area. She informed the Agency Board that redevelopment law does not require that every property be blighted. The threshold is that the blight is significant and cannot be addressed within the existing limits. It was found that there was insufficient funding available now or when the cap is reached to fund the remaining improvements needed. Without action to raise this limit, there would be a significant loss of revenue beginning as early as two years from now. She said that the amendment process could provide the Agency with bonding and eminent domain authority, should the Agency Board decide to include these for consideration.

Agency Member Sellers indicated that it made sense to increase the time limit and include the bonding capabilities. He stated that he was hesitant about considering eminent domain and adding new territory. However, these are options that will be addressed down the road. He inquired how the extension of the timeline for adding territory would work.

Ms. Rosenow said that the Agency Board's option would be to decide to proceed with one amendment that included the additional territory. Therefore, the timing would begin at the beginning of the process. Alternatively, the Agency Board could decide to proceed with the quicker amendment, initially, and then go back and take up the second amendment to add territory. The Council could also simultaneously

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process two amendments; finishing one on an earlier schedule and the second one on a later schedule. When you add territories, there are certain windows available. This has to do with the timing of the base year and the noticing requirements an agency needs to abide by. Generally speaking, agencies find that project areas are typically adopted in June or July every year. She felt that it would be difficult to get the process going in time for a June/July 2006 timeline. The Agency Board could proceed with the other amendment within this timeframe and then follow up with the second amendment. Alternatively, the Agency Board can slow down the process and proceed with once process; aiming for a June/July 2007 timeline. However, the issue becomes getting close to the 2007/08 timeframe for losing tax increment funds.

Agency Member Sellers inquired whether the RFP impacts who the Agency Board selects or the scope of work. He inquired whether the Agency Board needs to decide how it wishes to proceed at this time (e.g., consider expanding the boundary).

Ms. Rosenow felt the easiest thing to do is to make the decision as early as possible. Alternatively, the Agency Board could ask the proposers to submit one or two proposals.

Chairman Tate noted that the study addresses potential expansion. However, it does not address a potential contraction. He stated that he would like unblighted areas that can be taken out of the Redevelopment Agency to be identified as part of the study.

Ms. Rosenow stated that there is no requirement to remove unblighted parcels. The removal of part of the project that has successfully developed will have an impact on the level of tax increment and that this can be substantial, depending on how much of the area the Agency Board wants to take out. She said that this issue was discussed at a staff level and that it was concluded that it would be appropriate to delve into these issues, if it was determined necessary, at some point in time. She stated that the ability to get tax increment early in the process is more important to the successful implementation of the project the City wants to complete. Removal of property from a project area would return the property to the tax rolls. As an alternative, the Agency Board could set its limit in such a way that the Board would achieve the same results keeping early tax increment to the Agency to proceed with projects and giving more tax increments at the end of the process.

Chairman Kennedy inquired as to the timeline for the proposals and the start of the specific work.

Executive Director Tewes said that staff would return to the Agency Board within 60-90 days with a recommendation. This timeline would allow ample time for qualified firms to review the RFP and prepare a good proposal for staff evaluation. He indicated that the analysis for adding projects can be identified as options in the proposal. He said that staff would talk to proposers on these issues as well.

Chairman Kennedy opened the floor to public comment. No comments were offered.

Agency Member Sellers felt that this is an important step and that the Redevelopment Agency Board has been good stewards of Redevelopment Agency funds over the last 25 years. He felt that it has been a

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well respected and very important tool for the community. He recommended the Agency Board consider its options moving forward.

#### Action:

Agency Member Sellers made a motion, seconded by Agency Member Carr, to <u>Authorize</u> the Executive Director to Issue a Request for Proposal (RFP) for Firms to Prepare a Redevelopment Plan Amendment and the Environmental Assessment Necessary for the Plan Amendment.

Vice-chair Tate stated that he would not be in favor of expanding the Plan area. Should the Redevelopment Agency decide to move forward with a Plan amendment, he would like to keep the Plan to the same area as well as the same parameters established in 1999. He stated that he would be willing to explore the benefits of bonding. However, he noted that the Agency Board adopted and sold to the public a "pay as you go" process in 1999. He stated that he would need to be convinced that a change is needed. He understands that there are advantages to eminent domain, only on very specific parcels. He felt that the City needs to demonstrate to the public that redevelopment is working and that the City is making progress. He understood the argument of getting the money up front because you have a larger area. He stated that he would like to understand the financial affects associated with removal of unblighted areas from the redevelopment area. When he agreed to renew the redevelopment agency before, he did so with the concept that the City was doing so to accomplish a certain set of goals. Once the goals were completed, the City would be done with redevelopment. He stated that he still believes in this concept and that he would like to see the City work toward this end.

Agency Member Sellers stated that it would be difficult to convince him that it is important to include eminent domain as he felt the Agency Board has done a good job in achieving its goals without it. He noted the study would provide the Agency Board with information. He said that the fundamental issue is financial and whether the Agency can utilize bonds in a way that leverage these dollars in a significant way. He felt that the focus has to be on economic development in the next plan amendment, far more directly and significantly. It was his belief that this has to be done in tandem so that the public knows where the funds will go, should the plan amendment be approved. He felt that there were a lot of options to be considered, and recommended that the report be made as broad as possible so that the Agency Board will have answers to its questions when the report is brought back to the Board.

Director of Business Assistance and Housing Services Toy said that in 60-90 days, staff would return with a recommendation for a firm to assist with the plan amendment and the environmental assessment, as well as a schedule on the process for receiving input from the Agency Board and the community on the plan amendment. He stated that when staff returns with a schedule, the schedule would include dates for project discussions and different types of projects/amendments. In addition to their qualifications, a firm would need to submit a specific proposal as to the costs and what would be done as part of their proposal. He informed the Agency Board that a firm would need to identify how they would address a broad scope of work and how these actions would work. He said that staff has the 1999 scope of work that would be broadened to address the different parameters. He informed the Agency Board that staff will send out the scope of work within the next 2-3 weeks with responses due in 2-3 weeks thereafter. Staff would return to the Council in January 2006 with a recommendation.

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Agency Member Carr indicated that he has the same concerns raised by Vice-chairman Tate. He wanted to know how the Agency Board gets the information needed to make decisions. He felt that through the RFP process, the Agency Board would identify a firm to partner with the City in getting the information needed to assist with the decision making process.

Executive Director Tewes did not believe that it would be necessary to identify parameters at this time as staff can work with the Community & Economic Development Committee toward this end. He felt the issue of how to amend the plan is straight forward. However, staff will be looking for proposals that address the issues raised; a proposal that will assist in the evaluation of the pros and cons of bonding, what will be the firm's proposal for documenting remaining blight, etc. He said that these are straight forward requirements under the plan amendment process. He did not believe that in order to keep on the fast track that staff needs to return with a scope of work for Agency Board review/approval, but is possible should the Board wish staff to do so.

Agency Member Grzan said that he has difficulties in applying Redevelopment Agency and blight. In the projects that the Agency Board has reviewed in the past couple of years, he noted the projects have been more recreation oriented. He indicated that he would like to specify a desire that the firms selected have economic background that can enhance the issues in Morgan Hill and strengthen the City's economic infrastructure. He would be looking at a firm that would assist the City in resolving some of these issues.

Executive Director Tewes reminded the Agency Board that the first and primary objective of the Redevelopment Plan is to deal with blighted conditions. Often, a secondary benefit is an economic gain. He indicated that whatever projects are identified, they have a nexus with remaining blight.

Chairman Kennedy recommended that the Agency Board provide the Community & Economic Development Committee its thoughts and input and have the Committee work with staff to include the ideas in the scope of work. This would allow the process to move forward, yet ensure the City does not lose sight or capabilities to address the issues raised. He stated that an important issue for him is to make sure that the Agency Board has the opportunity to add or subtract properties from the plan amendment, keeping this option open as the City goes through the process.

Executive Director Tewes clarified that when staff returns to the Redevelopment Agency Board, staff will provide the Board a schedule that identifies how these issues will be addressed and the timeframe. He further clarified that these issues will not be addressed within the next 60-days. Within the next 60-days, staff will put together a team and return with a sequence of events and schedule of activities that will show the Agency Board precisely how the issues will be raised and answered. He said that there will be several opportunities for Redevelopment Agency Board meetings to address the various issues during the 6-9 month process. Therefore, the Agency Board will be actively engaged as staff develops a plan amendment process; as well as a process for involving the community.

*Vote*: The motion carried unanimously (5-0).

#### **FUTURE COUNCIL-INITIATED AGENDA ITEMS**

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – November 2, 2005 Page - 13 –

No items were identified.

#### RECONVENE TO CLOSED SESSION

Interim City Attorney/Agency Counsel Siegel announced that the City Council/Redevelopment Agency would be reconvening to closed session to discuss closed session item 1 as listed above.

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 7:58 p.m.

#### **RECONVENE**

Mayor/Chairman Kennedy reconvened the meeting at 8:31 p.m.

#### **CLOSED SESSION ANNOUNCEMENT**

City Attorney/Agency Counsel announced that no reportable action was taken in closed session.

#### **ADJOURNMENT**

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 8:32 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



### CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 16, 2005

# AWARD OF 2005-2006 SIDEWALK, CURB AND GUTTER REMOVAL AND REPLACEMENT PROJECT

#### **RECOMMENDED ACTION(S):**

- 1. Award contract to J.J.R. Construction, Inc. for the construction of the 2005-2006 Sidewalk, Curb and Gutter Removal and Replacement Project in the amount of \$54,975.
- 2. Authorize expenditure of construction contingency funds not to exceed \$5,500.

Agenda Item # 13
Prepared By:
Assistant Engineer
Approved By:
Public Works Director
Submitted By:
City Manager

#### **EXECUTIVE SUMMARY:**

The scope of work for this project includes the removal and replacement of sidewalk, curb & gutter, handicap access ramps, and driveway approaches. The majority of this project is located on Crest Avenue between Wright Avenue and Main Avenue, see attached spreadsheet for locations.

The bid opening was held on November 3, 2005 and the bids received are as listed below. The low bidder has many years of experience in concrete work. Although J.J.R. Construction, Inc. has not previously performed work for the City of Morgan Hill, staff has reviewed their references and is satisfied with the reference check. Staff recommends award of the contract to J.J.R. Construction, Inc. This project is scheduled to begin in January, 2006 and pending weather, be completed by February, 2006. J.J.R. Construction, Inc.'s bid was approximately 4% lower than the engineer's estimate of \$57,000.

J.J.R. Construction, Inc.	\$54,975
SMC	\$56,950
Sposeto Engineering, Inc.	\$58,395
Link Construction Co., Inc.	\$58,767
QLM, Inc.	\$60,584
Trinet Construction, Inc.	\$78,375
Granite Construction, Co.	\$93,103

**FISCAL/RESOURCE IMPACT:** The total contract cost for this project is \$60,475, which includes a 10% contingency of \$5,500. Project will be funded through the 05/06 Street Maintenance Budget (Account number 202.6100.42231).



# CITY COUNCIL STAFF REPORT MEETING DATE: November 16, 2005

DEVELOPMENT AGREEMENT AMENDMENT, DAA: 04-08: Tilton-Glenrock

#### **RECOMMENDED ACTION(S):**

Open/close Public Hearing Waive the First and Second Reading of Ordinance Introduce Ordinance

#### **EXECUTIVE SUMMARY:**

The applicant is requesting an amendment to an approved development agreement for phases 7-10 (83 lots) of the Capriano development located on the south side of Tilton Ave. between Hale Ave. and the railroad tracks. The specific amendment request is to allow for a 9-10 month extension of deadlines pertaining to "final map submittal," "building permit submittal," and "obtaining building permits" for each year of the project allocation. A copy of the applicant's letter of request is attached.

In May 2005, the City Council approved an 82-lot subdivision, precise development plan and development agreement for phases 7-10 of the Capriano project which includes 34 building allocations for 2005-06, 20 building allocations for 2006-07, 15 allocations for 2007-08 and 12 allocations for 2008-09. In August 2005, the applicant recorded a final map utilizing 24 of the 34 building allocations for FY 2005-06. According to the current development agreement schedule the applicant should have submitted a final map for another 10 lots by July 30, 2005 and submitted for building permits for all of the 34 FY2005-06 building allocations by August 15, 2005.

The purpose of the development agreement processing schedule is to allow the City to track the progress of projects through the RDCS Quarterly report. The monitoring of the allocations allows the City to prevent the allocations from expiring. As part of the review of the quarterly report, delinquent projects can be identified early in the process and if necessary the building allocations can be reassigned to other projects that are in better positions to utilize allocations prior to expiration.

On October 25, the Planning Commission reviewed the applicant's request for a 9-10 month extension of the "final map submittal," "building permit submittal," and "obtaining building permits" deadlines for each year of allocation. The Commission voted 6-0 (Commissioner Lyle absent) to recommend approval of a 7-month extension of the "final map" and "building permit" submittal dates for FY 2005-06 and an 8-month extension of the "obtain building permit" date for FY 2005-06 allocations only. The Commission agreed that it would be premature to grant an extension of performance dates for FYs 2006-07, 2007-08 & 2008-09. A copy of the current development processing schedule is attached to the Council ordinance. The recommended date modifications are shown in **bold text**.

A copy of the Commission's October 25 minutes and staff report are attached for the Council's reference.

FISCAL IMPACT: No budget adjustment required.

Agenda Item # 14
Prepared By:
Senior Planner
Approved By:
Community
<b>Development Director</b>
Submitted By:
City Manager

#### ORDINANCE NO., NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1725 NEW SERIES, AMENDING THE **DEVELOPMENT** AGREEMENT **FOR** TILTON-GLENROCK, TO ALLOW FOR A 7-MONTH EXTENSION OF THE FINAL MAP SUBMITTAL DATE AND BUILDING **PERMIT SUBMITTAL** DATE, **AND** AN 8-MONTH EXTENSION FOR OBTAINING THE BUILDING PERMIT DATE FOR 34 BUILDING ALLOCATIONS GRANTED FOR FY 2005-06 FOR MP-02-03: TILTON-GLENROCK.

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1.** The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.
- **SECTION 2.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.
- **SECTION 3.** The Planning Commission, pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded 34 building allocations for 2005-06, 20 building allocations for 2006-07, 15 allocations for 2007-08 and 12 allocations for 2008-09.
- **SECTION 4.** On May 18, 2005 the City Council adopted Ordinance Number 1725 which set a development schedule for the 81 building allocations awarded to MP 02-03: Tilton-Glenrock; and
- SECTION 5. References are hereby made to certain Agreement on file in the office of the City Clerk of the City of Morgan Hill. This document signed by the City of Morgan Hill and the property owner set forth in detail a development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to is amended by this ordinance and shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.
- **SECTION 6.** The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.
- **SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

City of Morgan Hill	
Ordinance No,	N.S.
Page 2 of 4	

**SECTION 8.** Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

**SECTION 9.** MODIFICATION TO DEVELOPMENT SCHEDULE. The Council hereby approves an amendment to the development schedule (know as Exhibit B of approved development agreement) for the "final map submittal," "building permit submittal," and "obtaining building permits" dates for fiscal year 2005-06, as attached in Exhibit A, and by this reference incorporated herein.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 16<sup>th</sup> Day of November 2005, and was finally adopted at a regular meeting of said Council on the Day of December 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES:	<b>COUNCIL MEMBERS:</b>	
NOES:		
<b>ABSTAIN:</b>	<b>COUNCIL MEMBERS:</b>	
ABSENT:	COUNCIL MEMBERS:	
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>∞</b> <u>CERTIFICATE</u>	OF THE CITY CLERK &
CALIFORN , New Series	IIA, do hereby certify that the	TERK OF THE CITY OF MORGAN HILL, foregoing is a true and correct copy of Ordinance No. of the City of Morgan Hill, California at their regular 5.
WIT	NESS MY HAND AND THE	SEAL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk

#### **ORDINANCE EXHIBIT A**

### EXHIBIT "B" DEVELOPMENT SCHEDULE MP-02-03: Tilton-Glenrock

FY 2005-06 34 allocations/FY 2006-07 20 allocations/FY 2007-08 15 allocations/FY 2008-09 12 allocations

I.	SUBDIVISION AND ZONING APPLICATIONS	
	Applications Filed:	10-07-04
II.	SITE REVIEW APPLICATION	
	Application Filed:	06-30-05
III.	FINAL MAP SUBMITTAL	
	Map, Improvements Agreement and Bonds:	
	FY 2005-06 (34 units)	<del>07-30-05</del> <b>02-28-06</b>
	FY 2006-07 (20 units)	07-30-06
	FY 2007-08 (15 units)	07-30-07
	FY 2008-09 (12 units)	07-30-08
IV.	BUILDING PERMIT SUBMITTAL	
	Submit plans to Building Division for plan check:	
	FY 2005-06 (34 units)	<del>08-15-05</del> <b>03-15-06</b>
	FY 2006-07 (20 units)	08-15-06
	FY 2007-08 (15 units)	08-15-07
	FY 2008-09 (12 units)	08-15-08
V.	BUILDING PERMITS	
	Obtain Building Permits:	
	FY 2005-06 (34 units)	<del>09-30-05</del> <b>05-30-06</b>
	FY 2006-07 (20 units)	09-30-06
	FY 2007-08 (15 units)	09-30-07
	FY 2008-09 (12 units)	09-30-08
	Commence Construction:	
	FY 2005-06 (34 units)	06-30-06
	FY 2006-07 (20 units)	06-30-07
	FY 2007-08 (15 units)	06-30-08
	FY 2008-09 (12 units)	06-30-09

Failure to obtain building permits and commence construction by the dates listed above, shall result in the loss of building allocations. Submitting a Final Map Application or a Building Permit six (6) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 41dwelling units and

City of Morgan Hill Ordinance No. \_\_\_\_\_, N.S. Page 4 of 4

lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

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#### CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 16, 2005

#### GPA-04-12: COCHRANE – CITY OF MORGAN HILL; ZA-04-12/SD-05-05/DA-05-11/UP-05-11/SR-05-12: COCHRANE – DINAPOLI/BROWMAN

#### **RECOMMENDED ACTION(S):**

- 1. Open/close Public Hearing
- 2. Adopt Resolution Certifying Final Environmental Impact Report, Making Findings, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program
- 3. Adopt General Plan Amendment Resolution
- 4. Waive the First and Second Reading of Zoning Amendment Ordinance
- 5. Introduce Zoning Amendment Ordinance
- 6. Adopt Subdivision Resolution
- 7. Waive the First and Second Reading of Development Agreement Ordinance
- 8. Introduce Development Agreement Ordinance
- 9. Adopt Conditional Use Permit Resolution
- 10. Adopt Architectural and Site Plan Review Resolution
- 11. Direct City Attorney to return at a future City Council meeting with information regarding placing an initiative on the ballot to remove the grocery store use restriction from the Cochrane Plaza PUD.

**EXECUTIVE SUMMARY:** The project applicants, Browman Development Company, Inc., J.P. DiNapoli Companies Inc., and the Guglielmo Family, are proposing to construct a 657,250-sf subregional commercial shopping center on a 66.49-acre site located at the northeast quadrant of Cochrane Road and Highway 101.

The proposed shopping center would include two large anchor stores, retail shops, restaurants (sitdown and fast food), a 63,200-sf multi-plex cinema with up to 14 screens, and an optional 12-position fuel station. The optional fuel station would incorporate a 1,600-sf convenience market and a 600-sf car wash as a substitution for 6,000 sf of retail space. The proposed anchor stores could consist of the relocation and expansion of the 'Target' store (currently located at the Cochrane Plaza shopping center). Other retail uses anticipated for the shopping center could include a home improvement store, wholesale store or department store.

The proposed project involves a number of entitlement requests: General Plan Amendment, Zoning Amendment, Subdivision, Development Agreement, Use Permit, and Architectural and Site Plan Review. Due to the nature of the project and the number of entitlements requested, the City Council is requested to review and take action on all the applications for the project as one package. The Architectural Review Board reviewed the Architectural and Site Plan Review application on October 6, 2005, and recommended approval of the application with modifications. The Planning Commission reviewed the General Plan Amendment, Zoning Amendment, Subdivision, Development Agreement, Use Permit and EIR on October 11, October 13, October 25 and November 8, 2005. The Planning Commission recommended approval of all the applications and certification of the Final EIR with modifications by the following votes: 7-0 (general plan amendment); 6-0 (zoning amendment); 6-0 (subdivision); 5-1 (development agreement); 4-2 (use permit); 5-2 (EIR).

For the Council's reference, a detailed discussion on each application is provided in Attachments A through G of this report. Copies of the staff reports and meeting minutes for each of the above referenced meetings are also attached.

Agenda Item # 15	_
Prepared By:	
BAHS Director	
Senior Planner	
Approved By:	
CDD Director	
Submitted By:	
City Manager	